



FOOD PROCESSING

COUNTRY PROFILE

SOUTH KOREA





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1

GLOBAL FOOD & BEVERAGES MARKET

1.1

MARKET OVERVIEW

The food processing sector is involved in transforming raw agricultural products into processed food items that are suitable for consumption. It encompasses a wide range of activities, including harvesting, sorting, cleaning, packaging, preserving, and distributing food products. Food processing involves various techniques and technologies to enhance the quality, safety, and shelf life of food. Some common processes include cutting, grinding, cooking, pasteurization, canning, freezing, and fermentation. These processes often involve the use of machinery, equipment, additives, and other ingredients to modify the characteristics of the raw materials. The food processing sector plays a crucial role in meeting the global demand for safe, convenient, and nutritious food products. It not only helps to extend the availability of seasonal produce but also caters to the development of a wide variety of food options. This sector covers a broad range of products, including fruits, vegetables, grains, dairy products, meat, poultry, seafood, bakery items, beverages, and prepared meals. Food processing companies may operate at different scales, from small-scale local businesses to large multinational corporations. They must adhere to strict quality control and safety standards to ensure that the processed foods meet regulatory requirements and consumer expectations. Overall, the food processing sector contributes significantly to the economy, employment, and food security by adding value to raw agricultural products and making them suitable for consumption on a mass scale.

In the year 2023, the global food and beverage market exhibited an impressive valuation of \$6,735.8 billion¹. This expansive market showcased an intriguing prospect, after witnessing from the viewpoint of per capita consumption, amounting to \$262.62² annually. Innovation in the cost expense of the global GDP, the market holds a significant share of 6.32%³.

¹ https://www.researchandmarkets.com/research/2023/food-beverage-market-overview

² FAO

³ FAO

When analysing the various segments within the food and beverages market, it becomes evident that the demands of meat, poultry, and seafood defined the top position, leading to a substantial market share of 20-26%. Following closely behind, the dairy food sector made a remarkable showing at 14-16%, while the realm of bakery and confectionery held its own at a surprising 11-13%.*

The global food and beverage market grew from **US\$ 1,043,000.00 Bn in 2017** to **US\$ 1,240,000.00 Bn in 2022**†

The market grew at a compound annual growth rate (CAGR) of **4.63%**‡



1.2 EMERGING TRENDS

The food and beverage market are being influenced by several significant trends, which are as follows:

- Functional drinks for hydration & nutritional benefits
- High pressure pasteurisation of fruits & vegetables
- Increasing demand for clean label products
- Individual quick freezing (IQF) technology
- Robotics and automation in meat processing
- Personalisation of pet foods

*Statista, <https://www.statista.com/chart/10222/food-and-beverage-market-share-by-product-category/>

†Statista

‡Statista

2 INDIAN FOOD PROCESSING SECTOR

2.1 OVERVIEW

In the year 2022, the food and beverages market witnessed Asia Pacific emerging as the dominant region, securing a substantial valuation of \$2,745.3 billion. This impressive figure accounted for a noteworthy 44.7% share of the global food and beverages market. Trailing behind, Western Europe retained the second position with a respective share of 20.3%, and North America followed closely at 14.8%.

Figure 2
Country-wise split
of Asia Pacific Food
& Beverage Market,
2022



** Global Market Insights Research Analysts (GMI) - The Global Market Insights Company, November 2022

Within the Asia Pacific region, India's food and beverage market holds the position of being the third largest, following the likes of China and Japan. In the year 2021, the market revenue reached an impressive cumulative US\$11.17 billion, thus commanding a significant fourth market share within the vast expanse of the Asia Pacific market.¹

India's food and beverage market grew at a CAGR of 6.92% between 2017 - 22.²

India's food and beverage market is forecasted to grow at a CAGR of 9.94% from 2022 - 27.³

The Indian food processing sector has experienced rapid growth, exhibiting an impressive average annual growth rate of over 8 percent since the fiscal year 2014-15⁴. This sector plays a pivotal role in establishing strong connections between the industry and the agriculture sector through a comprehensive range of activities that encompass farming, aggregation, processing, packaging, storage, and distribution.

In India, the food processing sector extends its support to a wide array of products, encompassing traditional food items such as food grains, spices, fruits, and vegetables, as well as modern processed foods like baked goods, dairy products, seafoods, instant products, instant soups, and convenience foods. Its contributions to the economy are substantial, with a multiple effect on employment, as it employs 13.2% of the total workforce in the Indian registered manufacturing sector in the fiscal year 2019-20, the remarkable contribution of processed foods to India's total export Food Exports reached an astonishing 27.8%. The percentage share of food processing contribution to the overall Indian manufacturing GDP rose to 10% of 2.17 with a value added of INR 1,16,418 in 2020-21.⁵

¹ Global Market Insights, Market Outlook 2021: The Global Food & Beverage Industry, December 2020

² IBEF

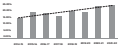
³ IBEF

⁴ IBEF, 2019

⁵ IBEF

Annexure 1

Percentage share of processed fuel's exports in april – fuel's exports



India's april – fuel's exports grew from
US \$38,771.92 Mn in 2014 – 15 to
US \$ 46,113.3 Mn in 2021 – 22.¹

India's processed fuel's exports grew from
US \$4959.44 Mn in 2014 – 15 to
US \$10,420 Mn in 2021 – 22.²

¹ <https://www.moppi.gov.in/press-releases>
² <https://www.moppi.gov.in/press-releases>



2.2

KEY GROWTH DRIVERS

The food and beverage sector holds substantial significance as a contributor to the Indian economy. Forecasts indicate that the Indian processed food market is poised to witness remarkable growth, with expectations of reaching a valuation of USD 400 billion by the year 2029. This projection signifies a substantial increase from its previous valuation of USD 26.2 billion in the fiscal year 2020. The key growth drivers for the growth prospect of the sector are:

- Demographic growth
- Increased disposable income
- Demand for higher-quality products and premiumisation
- Improvements in logistic infrastructure
- Modernisation of cold chain infrastructure
- COVID-19 pandemic accelerating the shift towards healthier and more hygienic products
- Industrial automation
- Manufacturing process improvement

This upward trajectory is expected to trigger a substantial surge of opportunities across the entire value chain of processed foods.

2.3 KEY OPPORTUNITIES

The following are the high-potential opportunities in the food processing sector of India

FOOD PROCESSING MACHINERY

The machinery sector for food and beverage processing in India experienced a growth rate of 8.0% in the year 2020. Regionally (Asia Pacific), it stood as the fourth largest in terms of production value. Looking ahead, the industry's turnover is projected to witness a compound annual growth rate (CAGR) of 8.0% during the period of 2021-2026. Furthermore, it is anticipated that the industry will regain pre-pandemic levels by the year 2026.

The machinery sector for food and beverage processing relies primarily on the expansion of domestic markets for its growth. In the year 2021, exports constituted 7.0% of the overall production output, indicating that the industry's focus is predominantly on satisfying domestic demand.



India is the fourth largest producer
in terms of production value in Asia Pacific

India represents a significant 9.0% share
of the total production value in the Asia Pacific region.

OILS & FATS

During the period from 2021 to 2024, the Indian oils and fats market exhibited robust growth. The key drivers behind this growth were rapid urbanisation, an expanding middle-class population, increasing income levels and enhanced purchasing power among consumers. In 2023, the Indian oils and fats market achieved total revenues of ₹2.5,105.3 billion, showcasing a noteworthy compound annual growth rate (CAGR) of 7.3% over the period from 2021 to 2023. Moreover, the market witnessed a steady increase in consumption volume, with a CAGR of 6% during the same timeframe, culminating in a total volume of 61,436.3 million kilograms in 2023. By the end of 2024, the market's volume is projected to reach 62,000 million kilograms.

Among the segments within the market, the vegetable oil segment emerged as the most lucrative in 2023, amassing total revenues of ₹8.8 billion, accounting for a significant 35% of the market's overall sales. The soybean oil segment also made a substantial contribution, generating revenues of ₹2.6 billion in 2023, which equates to 10% of the market's total revenues.

Market

**Oils & Fats market volume forecast,
2021 - 26, million kilograms.**



India's vegetable imports are dominated by three primary commodities: Palm Oil, Soybean oil, and Rapeseed seed oil. Collectively, these imports accounted for a significant sum of ₹4,746,767.33 million in 2023.

Insights
India's top agri-food imports in 2023, USD million


COLD CHAIN INFRASTRUCTURE

India currently holds the position of the global leader in milk production, owing to its the production of fruits and vegetables. It also has a significant output of marine, meat, and poultry products. The majority of these commodities are highly susceptible to temperature variations, necessitating precise storage and transportation conditions. The cold chain market in India demonstrated a revenue of USD 26.4 billion in 2022 and is projected to attain USD 57.5 billion by 2032. This indicates a robust compound annual growth rate (CAGR) of approximately 14.20% between the years 2022 and 2032.

The surge in demand for cold chain infrastructure stems from multiple factors, including heightened requirements from the healthcare industry, expansion of organised food retail growth in the processed food sector, and a shift towards increased consumption of fruits and vegetables. Additionally, the COVID-19 pandemic has had a positive impact on the overall cold chain market, leading to an increased need for cold storage and temperature-controlled logistics across various sectors. Over the past few years, the government has actively engaged in numerous cold chain development initiatives. Moreover, regional players have prioritised the expansion of cold storage capacities to accommodate the storage and distribution of COVID-19 vaccines and medications.

Market Size

Market Size & Growth Forecast - India Cold Storage Market, in USD Billion



- ✦ The implementation of a proficient and reliable cold-chain storage infrastructure enhances the transportation and storage of products sensitive to temperature fluctuations, resulting in extended shelf life and minimized spoilage risks from the point of origin to the point of consumption.
- ✦ Numerous stakeholders from various industries are actively engaging in the development of a diverse and resilient cold-chain storage system that adheres to the necessary standards and regulations.
- ✦ Anticipated growth in this segment is projected in the coming years, driven by a growing interest from start-ups, regional providers and institutional levels. This increased attention highlights the potential for significant expansion and underscores the attractiveness of the cold-chain storage market.

3

SOUTH KOREA - COUNTRY OVERVIEW

South Korea is a country in East Asia, occupying the southern portion of the Korean Peninsula. It is bordered by North Korea to the north, the Yellow Sea to the west, the East China Sea to the south, and the Korean Strait to the south. South Korea is a coastal country, it has modern cities with skyscrapers and high-tech industries, but it also has ancient temples and traditional villages. The country is also home to beautiful natural scenery including mountains, forests, and beaches. Table 1 highlights key facts about South Korea.

CAPITAL	Seoul
AREA	100,339 sq km
POPULATION	51,331,000 (2019)
CURRENCY	South Korean won
LANGUAGE(S)	Korean
LIFE EXPECTANCY	83 YEARS (MEN) 87 YEARS (WOMEN)

HEAD OF STATE	YOUNG SAEK-KEOL
PRIME MINISTER	HAHNG DUCK-SOO
GLOBAL POPULATION INDEX	29
URBAN - RURAL POPULATION	URBAN: 81% RURAL: 19%

4 SOUTH KOREA - ECONOMY OVERVIEW

South Korea is the 11th largest economy in the world, Korea ranks 11th in the world among 144 countries as per the Competitive Economic Performance Index (CEPI) issued by the United Nations Industrial Development Organization (UNIDO) in July 2020. South Korea is a developed country with a strong economic base is a member of the Organization for Economic Co-operation and Development (OECD) and the G20. The country's major industries include electronics, automobiles, engineering, and tourism. Some of the key facts of the South Korean economy is listed below.

2020 Indicator Overview

PPP (Current prices of USD) GDP (2020)

US \$ 32,254.6

GDP (Current prices)

US \$ 1.87 TRILLION

Final Final consumption Expenditure

67.1 %

Household saving Ratio

34 %

GPI Inflation

5.1 %

GDP Growth

2.8 %

Source: UN Development Programme, World Economic Outlook, 2020

For more information visit www.wfp.org

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5 SOUTH KOREA - FOOD PROCESSING SECTOR OVERVIEW

South Korea has a strong food processing industry that manufactures a wide variety of food and beverage products¹.

The revenue of South Korea's food market is estimated at USD 120.8Bn in 2022². The market has grown by a CAGR of 1.05% during (2018-2022) this period. Figure 5 summarizes the growth of food market in South Korea over the last 5 years. The market's largest segment (beverage) with a market volume of USD 33.6Bn in 2022³ is shown in figure 6 which summarizes the food sector market share for the year 2022.

Figure 5

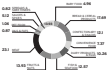
South Korea Market Size (2018-2022)



¹ <https://www.frost.com/research/food-processing-in-south-korea>

² <https://www.frost.com/research/food-processing-in-south-korea>

³ <https://www.frost.com/research/food-processing-in-south-korea>

Table 2
Food Sector Revenue of South Korea 2022 (USD\$bn.)

5.1
FOOD PRODUCTION TRENDS

South Korea's food processing sector has particularly important part of South Korea's overall food production. By developing new food processing, separation and packaging technologies and innovations, food future outlook of South Korean companies in various food subsectors are likely to influence and determine their roles in the market worldwide (Table 3-1).

¹ <https://www.korea.kr/eng/industry/industry-statistics/industry-statistics>

² <https://www.korea.kr/eng/industry/industry-statistics/industry-statistics>

³ <https://www.korea.kr/eng/industry/industry-statistics/industry-statistics>



The total market in South Korea which is comprised of GDP plus a few in 2020 is expected to grow annually by a Compound Annual Growth Rate (CAGR) of 1.68% between 2020 to 2027. Figure 10 summarizes the growth of the total market in South Korea from 2020 to 2027.

Figure 10

South Korea Market Size (2020-2027) (USD bn.)



** Data source: Statista (2020) - <https://www.statista.com/statistics/1066266/south-korea-gdp/>

5.2 GROWTH DRIVERS

The Korean market reflects global food trends. The rise in single-person households and the increase in women's participation in the workforce are influencing food purchasing patterns. Consumers seek convenient and good value food products that suit their lifestyle.

At the same time, consumers continue to seek healthier and higher quality food options. The frozen food replacement (FRF) market has been growing since 2016. The FRF market is estimated to have reached US\$10.6Bn in 2022, more than doubled the size of the market in 2014 and is forecast to expand further in 2023.

Small portion FRFs were classed as single packaged products consumed by single-person households with busy lifestyles. Single-person households accounted for 30.4 percent of total households in 2021 and are expected to account for 34.4 percent of households by 2025. Small portion FRF products have seen rapid growth due to this trend.

Convenience remains an important factor driving the eating habits of South Koreans with busy lifestyles. Hence, foodservice operators and other food manufacturers are developing more convenient and healthier food delivery options via online delivery services. The COVID-19 pandemic had accelerated the demand for online food delivery.

Such existing factors led to the emergence of several food delivery applications in the country as consumers registered long waiting times and for online delivery of meals at their respective workplaces or homes. This trend created great opportunities for online food delivery applications to provide a differentiated user experience to consumers by adopting diverse strategies, such as offering discounts.

The food delivery application in South Korea is dominated by Nara Biotech, followed by delivery firms. The food delivery apps are expanding their services as a part of their marketing strategy to penetrate the digital food market and replace another position.

1. <http://www.kstat.go.kr/eng/indicators/indicators.do>

2. <http://www.kstat.go.kr/eng/indicators/indicators.do>

3. <http://www.kstat.go.kr/eng/indicators/indicators.do>

4. <http://www.kstat.go.kr/eng/indicators/indicators.do>, <http://www.kstat.go.kr/eng/indicators/indicators.do>

5. <http://www.kstat.go.kr/eng/indicators/indicators.do>

6. <http://www.kstat.go.kr/eng/indicators/indicators.do>

5.3 KEY SUB-SECTORS

Food and beverage processing in South Korea is one of the major manufacturing industry in South Korea. The industry is highly dynamic driven by demanding consumers seeking diversity, quality, and value.

5.3.1 DAIRY

The dairy processing industry is the 3rd largest food processing industry in South Korea after alcoholic drinks manufacturing and wheat processing¹¹. The Korean dairy market grew by 2.4% in 2024 to reach a value of 10,668,000.7 million. Milk is the largest segment of the dairy market in South Korea, accounting for 46.2% of the market's total value¹². As shown in below Figure (Figure 5-1), South Korean Dairy Market is growing by 2.4% in 2024 to reach a value of 10,668.0 million with a CAGR of 2.5% (2019-24) in this period¹³.

Figure 5-1

South Korea Dairy Market Value



¹¹ Source: Statista, Dairy Market, South Korea

¹² Source: Statista, Dairy Market, South Korea

3.3.2 PROCESSED MEAT & SEAFOOD

In 2023, processed meat, seafood and meat alternative products in South Korea accounted for the 3rd largest packaged food segment at a total retail sales value of 656.6 billion KRW. All meat & meat alternative saw increased growth in this market, with frozen meat & seafood sub-sectors experiencing the biggest growth of 24.6% in 2023-24¹.

The consumption of seafood has increased despite declining production. Seafood has been effectively marketed in Korea as a lean alternative to red meat in comparison to meat products, which has an average growth of 1.6% per year between 2018 and 2023, seafood consumption increased by an average of 3.7% per year. Additionally, fish products have been improved in quality, and new processing technologies have been investigated by the seafood industry. Steam cooking, rapid freezing, pressure cooking, marinating, extrusion, fat fill, spicing, and salting are the main technologies for value-in-focus².

Figures 42 & 43 summarise the role of processed seafood and processed meat

Figure 42

Retail Sell of processed meat of South Korea

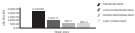


Figure 43

Retail Sell of processed seafood of South Korea



¹ Source: Euromonitor Intelligence, processed seafood and meat alternative sub-segments, packaged food, South Korea, 2018-2023

² Source: Euromonitor Intelligence, 2023

³ Source: Euromonitor Intelligence, processed seafood and meat alternative sub-segments, packaged food, South Korea, 2018-2023

⁴ Source: Euromonitor Intelligence, 2023

⁵ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

⁶ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

⁷ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

⁸ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

⁹ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

¹⁰ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

¹¹ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

¹² Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

¹³ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

¹⁴ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

¹⁵ Source: Euromonitor Intelligence, 2023, <https://www.euromonitor.com/insights/seafood>

5.3.3 BAKERY INDUSTRY*

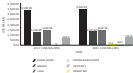
Revenue of South Korea Bakery market is reaching at USD 3,828.6 million in 2020 with a CAGR of 3.0% from 2017-2020 and it is anticipated to expand at a CAGR of 3.0% from 2021-2024.

As per the Canadian Government report the production of baked goods increased at a CAGR of 0.9%, reaching 267.8 thousand tonnes in the period of (2017-2020).

Below chart (Figure 48) Shows the revenue of South Korea Bakery market which summarizes that the Frozen baked goods are the best performing category in 2020, with relative sales increasing by CAGR of 16.2%, reaching USD 421.5 million.

(USD million)

Relative sale of Bakery items by category (2017-2020)



* Bakery sector has not been included in the scope of the study conducted by MOPFI. The data is based on the report published by the Canadian Government.

6 FOOD PROCESSING: KEY STAKEHOLDERS IN THE SOUTH KOREA

The food processing sector in the South Korea is governed and regulated by various stakeholders, which is crucial for strengthening and supporting the industry. Some of the key stakeholders in the sector are as follows:

6.1 GOVERNMENT INSTITUTIONS

NAME

OBJECTIVE

Ministry of Food & Drug Safety (MFDS)

MFDS's role is to protect public health and safety, including the safety of food and food-related products. MFDS administers regional offices and the National Institute of Food & Drug Safety Evaluation. It is responsible for establishing and enforcing food regulations as well as setting standards and specifications for domestic and imported foods.

Ministry of Agriculture, Food and Rural Affairs (MAFRA)

MAFRA establishes and enforces regulations pertaining to overall agricultural policy and quarantine inspection of agricultural products, including processors, raw, and farmed products. There are several agencies under MAFRA, including the Animal and Plant Quarantine Agency (APQA), the National Agricultural Product Quality Management Service (NAQMS), and the Food Management Administration (FMA).

NAME:

Ministry of Trade, Industry and Energy

DESCRIPTION:

South Korea's Ministry of Trade, Industry and Energy (MOTIE) has authority for implementation of the Cartagena Protocol on Biosafety (CPB). Korea ratified the Cartagena Protocol on Biosafety (CPB) in 2001. In 2004, Korea implemented the act enforcing Modified Organisms, or GMO Act, which is the implementing legislation for the CPB and the overarching law governing the country's biotechnology, risk factors and regulations.

6.2

MAJOR INDUSTRY PLAYERS

COMPANIES	SECTOR	GOODS CATEGORY
Seoul Dairy Cooperative	Dairy	Dairy products, Health and wellness products, Dairy beverages and fruit juices, cheese, and butter
Bongwon Group	Fisheries	Frozen ready to eat fish, Processed Sea Food
Lotte Confectionery Co. Ltd	Bakery	Bakery Goods, Frozen Fruit bread
LG DaeJangAng Corporation	Fisheries	Processed Sea Food, Sea Food
Namyang Dairy Products Co. Ltd	Dairy	Dairy Food, Milk, Yogurt

7 SOUTH KOREA - TRADE OVERVIEW

South Korea has emerged as a formidable trade power on the global stage, seamlessly blending its rich cultural heritage with cutting-edge technological advancements. With a strategic location in East Asia, South Korea's economic prowess has been fueled by a robust export-oriented economy, fostering a remarkable trajectory of growth and influence.

7.1 KEY EXPORT PRODUCTS & PARTNERS

The following products are top exported items and destinations in March 2023.

Unit:

South Korea exports of goods to the top 5 countries, main commodity and total value, March 2023¹⁾

Partner country	Total value (million USD)	Main commodity	Commodity value (million USD)
China	1,118,792,000,000	Electronic integrated circuits & assemblies	101,773,000,000
USA	838,027,770,000	Iron ores and concentrates	101,633,000,000
Vietnam	607,016,000,000	Electronic integrated circuits & assemblies, gold ores	101,403,000,000
Japan	593,027,770,000	Iron ores	101,203,000,000
Thailand, China	474,122,000,000	Super ores	101,173,000,000

¹⁾ UN Comtrade - South Korea Exports

South Korea's export data as highlighted in the table indicates that China, USA, Vietnam, Japan, Hong Kong (China) forms the top 5 destination of several exports from the South Korea. The main exported products included electronic circuits as memories and processors, vehicles, Medicines and light oil.

7.2 KEY IMPORT PRODUCTS & PARTNERS

South Korea's top 5 several imports and their corresponding leading partners are listed in the table below.

(USD)

South Korea Imports of goods by the top 5 countries, main commodity and total value, March 2023*

Partner country	Total value (USD)	Main commodity	Commodity value (USD)
China	1,184,877,821,000	Mineral Fuels & Oils	1,184,877,821,000
USA	869,126,024,000	Medicines and health preparations	1,184,877,821,000
Japan	561,121,074,000	Machinery and mechanical appliances	869,126,024,000
Australia	467,617,074,000	Mineral Fuels & Oils	561,121,074,000
South Korea	41,021,074,000	Iron	467,617,074,000

South Korea's import data as shown in the table above indicates that the major imported products for the nation are Mineral Fuels, oils, mechanical and electric equipment, medical apparatus and iron, with China, USA, Japan, Australia, South Korea forming the top 5 import sources.

* 1st Quarter - South Korea exports

8 SOUTH KOREA - INDIA TRADE

The trade relationship between South Korea and India has been steadily growing over the years, fuelled by shared economic interests, complementary strengths, and the desire to deepen cooperation across various sectors. Both countries recognise the potential for enhanced trade ties and have taken steps to promote bilateral economic engagement.

8.1

SOUTH KOREA EXPORTS TO INDIA

In 2023, the total South Korean exports to India amounted to US\$ 17,627 million (an increase of 19,58% or US\$ 4,527 million in current prices, compared to 2020). The table below highlights the 5 South Korean exports to India, over the last three years captured at 8-digit HS Code in US\$ thousands.

Table 8 South Korea Exports to India over the last three years

South Korea exports to India (US\$ million)

HS code	Product Label	2020	2021	2023	% Growth	India's share% in South Korea's Top 5 Exports in 2023
270200	Crude, unrefined or otherwise prepared coal (excl. lignite)	100.0	1,075.1	1,000.0	10.00%	0.1%
410100	Preparations for tanning and dressing of skins	1,000.0	1,000.0	1,000.0	0.00%	0.1%
270900	Food preparations, flava	1,000.0	1,000.0	1,170.0	17.00%	0.1%
410200	Skins of cat, dog, pig, rabbit, squirrel	0	1,000.0	1,000.0	100.00%	0.1%
410300	Skins and other skins, parts of skins	1,000.0	1,000.0	1,000.0	0.00%	0.1%

- There are many growth aspects to be looked at here, that is goods and other food preparations have grown at 13.83% and 38.45% respectively
- As cultural areas, with more Indians trying to eat different food such as curries and spread of those cuisines with thyme will further boost trade between the two nations

8.2

SOUTH KOREA: IMPORTS FROM INDIA

Total South Korea imports from India amounted to USD 8.63 billion in 2022 (an increase of 66.65% or USD 5.64.72 million compared to 2021). The same table indicates South Korea's top 5 imports from India over the last three years captured at a slight 1% hike in their frequency.

Table 8.2 Top 5 Germany Imports from India over the last three years

South Korea imports from India (USD million)						
HS code	Product Label	2020	2021	2022	% Growth	India's share in South Korea's April-Total imports in 2022
230200	Wheat and meslin, whole or broken, untempered	10000	1,42002	20,1700	142.00%	10.07%
230200	Wheat and meslin, whole or broken, untempered, in primary forms	20000	28000	20,000	100.00%	10.07%
230200	Wheat and meslin, whole or broken, untempered, in primary forms, in primary forms	20000	28000	20,000	100.00%	10.07%
080111	Other citrus fruit, fresh, whole or in primary forms	10000	1,0000	20,000	100.00%	0.00%
080111	Other citrus fruit, fresh, whole or in primary forms, in primary forms	10000	1,0000	20,000	100.00%	0.00%

- Wheat being a staple food from wheat made and also including maida flour are imported mostly from India by South Korea and these seem substantial rise over time indicating flourishing trade relationship between both nations.
- Other things and goods witnessed a growth of 87.78 % as South Korea has now started to increase its trade with India.
- Beats some vehicles, other commodities have witnessed a rise in their trade over time

9 AREAS OF COLLABORATION

As outlined in the aforementioned sections, India and South Korea share good trade relations in the food sector. This relation can be further strengthened by exploring investment opportunities in India in food industries of mutual interest. These industries have been identified based on the existing trade (import/export) share of ingredients and finished products) and/or where market strength in India.

Significant opportunities may exist for South Korea to increase its investment in India as new trade opportunities. Indian demand for dairy products, including infant formula, adult preparations, preparations for infants, pasteurized products has been rising steadily.

9.1

DAIRY PRODUCTS

India is the largest producer and consumer of milk in the world, with an annual production of around 2.07 billion metric tonnes in 2020-21¹.

9.1.1 TECHNOLOGY & MACHINERY

India has the potential to be the global hub of dairy processing technology and processing machinery. Technologies incorporating the Internet of Things, Blockchain technology, 3D printing, etc. can revolutionize the dairy processing landscape and address issues related to food safety concerns, traceability etc.

¹ <https://www.milkboard.gov.in/Portals/0/AnnualReport2020-21.pdf>

9.2 SUSTAINABLE PACKAGING SOLUTIONS

With a growing impetus on sustainability and reducing plastic, eco-friendly innovative packaging solutions for processed dairy products exhibit great potential for corporate adoption in India.

9.2

FRUITS & VEGETABLES

India is the world's second-largest producer of fruits and vegetables, behind China. India produced¹⁷ 447.42 million metric tonnes of fruits and 204.61 million metric tonnes of vegetables in 2020-2021.

The Indian fruit and vegetable processing industry experiences a conducive growth environment, owing to the abundant supply of raw materials and favorable government policies. Rise in disposable income and rapid urbanization resulted in lifestyle changes, owing to which the preference for processed fruits and vegetables has witnessed a paradigm shift and the demand has been increasing over the years.

9.3

BAKERY & CONFECTIONERY

One of the largest sectors of India's processed food industry is the bakery sector. The majority of baked goods, such as breads, cakes, pastries, etc., are classified as bakery products and account for more than 82 percent of all bakery items produced in the nation.¹⁸ India is the third-largest bread-producing nation (after the United States and China), giving the Indian bakery industry a competitive edge in production thanks to the country's plentiful supply of raw ingredients.¹⁹

¹⁷ <https://www.fruitandveg.org/india-fruit-and-vegetable-production-2020-2021/>
¹⁸ <https://www.bakerytoday.com/industry/india-bakery-market-size-2020-2025/>

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