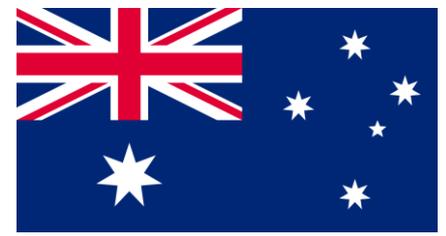




Korea-Australia Free Trade Agreement



Enhancing inroads to export Queensland vegetables to South Korea

South Korea has a population of 50.7 million and is now Asia's fifth largest economy and one of the world's 15 largest economies. South Korea is known for its population density, which is more than 10 times the global average and imports more than 70% of its food and agricultural products. The Korea-Australia Free Trade Agreement (KAFTA) reduces trade and investment barriers, making it easier for Australians to do business with Korea – our 4th largest trading partner.

A number of vegetables commonly grown in Queensland have access to South Korea and the import tariffs will be significantly reduced over the next 5-10 years.

Lettuce



Cauliflower



Broccoli



Spinach



Parsnips



Brussell spouts



Celery



Kale



Chinese Cabbage



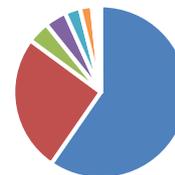
Key competitors

Value (USD) of imported Brassicas



- China
- Australia
- United States of America
- Viet Nam
- Belgium
- Japan
- Spain
- Indonesia
- Canada
- Italy

Value (USD) of imported Lettuce



- China
- United States of America
- Mexico
- Taipei, Chinese
- Belgium
- Viet Nam
- Chile
- Spain
- Malaysia
- Netherlands
- Japan
- Australia

China is by far the dominant import country with 93.3% of the brassica market and 59.5% of the lettuce



With southern hemisphere production, market access and favourable KAFTA tariffs, demand for Australian brassicas and lettuce is high.

To view the current KAFTA tariff go to

<https://ftaportal.dfat.gov.au/>



South Korea has a network of sea ports and harbours located throughout the country. Busan the largest and busiest port in South Korea and the world's second leading transshipment port and sixth leading container port. Travel time, Brisbane Port to Busan Port is 13-18 days, however, it is considered to be up to five times cheaper than airfreight.

Preparing to export to South Korea

Country of origin branding is important in the decision making process for consumers and Australian products enjoy a reputation for high-quality and safe food production systems and a certificate of origin is required to ensure the full opportunity associated with the tariff reduction is applied to the product upon entry to South Korea. It is important to know that the Maximum Residue Limits (MRL) system that Australia uses is very different from that utilised in South Korea. It is recommended that prior to exporting product to South Korea, vegetable producers or exporters must check the PLS for their commodities and pesticides used. This can be done at <http://www.foodsafetykorea.go.kr/>

The leafy green vegetable market place in South Korea is very competitive. It takes time to establish loyalty with commercial trading partners and retail customers which can be achieved with consistency in quality, supply and competitive pricing. The retail environment is large with twelve principal businesses throughout South Korea involved in selling fresh vegetable produce in a hypermarket, supermarket or high-end premium food section in a Department Store.

