



SOUTH KOREA – MARKET INFORMATION

Trip Report – 2009 Mission to Korea and Vietnam

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In May, 2009, I travelled to Korea and Vietnam with the following goals:

1. Promote Alberta food processing businesses already present in the Korean and Vietnamese by meeting with current and prospective buyers of these products.
2. Gather information on gaps in these markets that could be exploited by Alberta companies.
3. Promote Alberta agri-food commodities to current and future buyers.
4. Build relationships with local industry, government, and brokers that can be called upon in future as new products become available, or that may have links with other Alberta government departments.
5. Gain an understanding of the consumer marketplace in Korea and Vietnam through store and market visits.

Based on these goals, the following results were achieved (itemized to match the above numbered goals):

1. I met with thirteen separate buyers in Korea and an additional seven in Vietnam to promote Alberta goods and services. In Korea, I had dealings with seven different Alberta firms, either representing them in meetings, or accompanying local representatives or agents to meetings. In Vietnam, I either represented or accompanied three Alberta firms to sales meetings. Many more Alberta firms will benefit from these meetings upon my return to Alberta.
2. I attended the Seoul Food trade show to view market conditions and see what products Korean firms are selling, and what Korean consumers are purchasing. I also took notice of the presentation and promotion of current Alberta goods, as well as those of other countries. I have generated numerous leads which will be forwarded to Alberta firms for direct and assisted follow-up.
3. I met with buying groups, selling groups and lobby groups with an interest in products that Alberta considers commodities; particularly beef, but also grain and pork. I have set up a trip for one of these groups to visit Edmonton in July with the prospect of opening a buying and trade office in Alberta.
4. I met with three different research organizations whose work overlaps with that of Alberta. There will be benefit to stay in touch with these groups and to put them in contact with similar organizations or government departments in Alberta.
5. I visited numerous grocery stores, markets, supermarkets, corner shops and specialty retailers at both ends of the economic spectrum to see what is available and what people are willing to pay for it.

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A few general insights have been included below:

Health Food in Korea

The main trend in Korea right now is towards health food and healthy ingredients. Exactly what qualifies as health food is a little undefined, and some of the items sold base their health claims more in holistic or traditional medicine than in modern nutritional science. Ginseng is available absolutely everywhere, and every buyer I talked to has asked to be kept informed about any new healthy products made available in Alberta.

Presentation of Food

Presentation is everything, and people will pay more for items that look nice. In grocery stores, mangoes may be wrapped in a ribbon and individually shrink-wrapped, then sold for nine dollars. Even in the cheapest markets, watermelon are scrubbed clean and stacked in pyramid shapes on purpose built rings to look their best. All products are available in gift packs to be given to friends; even plastic bottles of cooking oil. Of course, the price always reflects the extra effort.

Beef to Korea

Nobody I talked to (admittedly these people were generally middle-aged and well educated) had any concerns about eating imported beef, from Canada, the US, or any other commonly recognized beef producing country. They acknowledge that misinformation has skewed certain consumers, but would have no trouble trusting Canada's inspection system and consuming beef that met other parameters such as price and taste.

Canola in Vietnam

Vietnam is a country that has just emerged from decades of closed communist society and is just now allowing its citizens to make their own choices regarding business, finances, and food. For years, the cooking oil market has been dominated by palm oil, mostly from Malaysia, but information about the healthy attributes of canola oil is just starting to reach consumers and influencers. The timing is perfect for introducing healthy new products to Vietnam, and canola is the perfect product with which to start. Alberta has the volumes available to be the first mover in this new market. The canola oil market here will be very large in the next decade, and if we don't move first, then someone else will, likely Australia or the US.

Local Language Marketing Materials

Both Korea and Vietnam have large non-English speaking populations, and any products that move into these markets must respect the local population and speak to them in their own language. In the case of retail products, full local language packaging must be available to gain consumer confidence and communicate directly with the buyer. In the hotel and restaurant sector, marketing materials and brochures must perform a similar function to ensure they will be properly noticed and understood by potential customers.

Free Market in Vietnam

For years, Vietnam has been dependent on China for political advice, financial support, and imports. Vietnam is now growing up and asserting its independence. While the local population strongly supports their own non-elected central government (no great rush to democracy here), there is recognition that China is not the greatest place to rely on for imported goods. International news reaches Vietnamese consumers, and news items such as lead lined toys and melamine tainted milk have made them open to buying goods from the international market and not limiting themselves to a single source.

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Presentation of Canada

Canada has a very low profile internationally. Canada's booth in the Seoul Food trade show paled by comparison to nations such as Cyprus and Panama, who spend more money, have greater processor involvement, and generate a much greater image for their country and their products. If Canada truly wishes to compete on the world stage, more investment of effort and money will be required. And of course, larger nations such as the US and the UK seem to go overboard, with huge pavilions and giving away gifts such as t-shirts.

A full report has been compiled for internal use, and specific information has been shared with the Alberta companies involved as well as Alberta companies that produce or process goods that have been identified as being of interest to buyers here. If you feel that you have a product that would do well in Korea or Vietnam and have not already been contacted, please contact:

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