



Korea's MOU with China Re: Distribution Union for Refrigerated and Frozen Goods

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On February 4, 2015, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) announced that it has signed a Memorandum of Understanding (MOU) with China's Distribution Union for Refrigerated and Frozen Goods (DURFG) at a MAFRA conference. This MOU is for Korean agricultural products to expand their market to China and for the Ministry to encourage investments by Chinese companies in the distribution and food businesses. The participants of the signing ceremony included: Lee Ju-myeong, Director General for Policy Planning of Food Industry, MAFRA; Director Lee Hu-cheon of Jeollabuk-do (North Jeolla) Provincial Government; Project Leader Jang Ju-yeong Iksan City; Yu Kyoung, Deputy General of the DURFG; and 30 delegates from member companies of the union.

The Distribution Union for Refrigerated and Frozen Goods of China is one of the most representative organizations in agricultural distribution and logistics, with around 600 member companies throughout 23 provinces of China. Among the members, there are companies that are expanding their businesses to processing of agricultural foods, and agricultural trade and investments. Korea and China became even closer after the conclusion of the China-Korea FTA last year. A lot of Chinese entrepreneurs are visiting Korea to actually see Korea's industrial sites. Korean agro-foods are regarded as premium, which are safe and of high quality to Chinese consumers. Chinese market demands will furthermore increase for Korean agro-foods.

The Korean government has emphasized the importance of expanding distribution and logistics networks in China in order to expand the export of Korean foods to the rapidly emerging Chinese agricultural food market. However, Korean food companies that made their entry to the Chinese market had a hard time securing stable networks of distribution and logistics until now. Upon the signing of this MOU, the Korean government expects that more Korean companies can enter the Chinese market in a prompt manner."

An official from MAFRA said that this MOU would become an opportunity for MAFRA to broaden the scope of cooperation between the two nations through various activities including: exchanging information and cooperating regarding distribution and logistics; China's providing safe and prompt distribution and logistics services for Korean agricultural foods; and joint research in technology development regarding refrigeration, freezing, packaging, and distribution of agricultural foods targeting Chinese consumers.

In particular, this visit of the Chinese delegation was part of the site tour in order to find investment opportunities from China into the National Food Cluster at Iksan in Korea. During their stay for 5 days and 4 nights, the delegation visited several areas like Anseong and

Incheon in Gyeonggi Province where they saw the operations of distribution facilities for agricultural foods and the exhibition center of the National Food Cluster as well as a discussion session with Korean food companies.

Date submitted: March 24, 2015

Reviewed, edited and uploaded: March 24, 2015