

Agricultural Export Promotion Policy

Jeongbin Im

Professor, Seoul National University

Korea's export promotion policies for agro-food products was established and actively implemented in the 1960s and 1970s. At that time, the share of agro-food export in total merchandise export was about 30% or more. However, the export promotion policy for agricultural products was pursued passively in the 1980s compared to other periods. Coming into the 1990s, a diverse range of export expansion policies were once again introduced to respond to the trends of globalization and liberalization in agriculture.

However, the government was unable to implement policies in the form of direct export subsidies due to the international regulations and enforcement by the WTO agreement on agriculture. Accordingly, the export promotion policies being implemented today are mainly indirect export expansion measures aimed at providing marketing support, international and trade information, and overseas market pioneering assistance.

In the 1960s and 1970s, the Korean government targeted export-oriented industrialization as a national goal and began implementing more aggressive outward-looking economic policies. In the agriculture sector, export complex development plans were pursued. The government also established and operated an agriculture price stabilization fund to mitigate the instability in agricultural exports caused by unstable domestic production and prices. A system of linking imports to exports (for example, importing bananas and pineapples in exchange for the export of apples, or importing wools for exporting tuna) greatly contributed to the increased trade in agricultural products. The government also implemented a policy for the controlling of export prices and shipment timing through a unified export channel.

According to the changes of policy environment, Korea's current export promotion policies are focused on overseas market penetration support and export information support system. In order to increase agro-food exports, Korea has recently reinforced and implemented comprehensive measures to expand production and distribution of export-oriented agricultural products and to develop new overseas markets for Korean agricultural exports. As agricultural market liberalization is being further accelerated through FTA agreements with major trading partners, the Korean government is strengthening its activities to pioneer overseas markets so as to overcome the limitations posed by the shrinking demand in the domestic market. As part of the activities, the government plans to focus on promoting 30 major agricultural products to increase the farm household income and to expand the Korean food culture through agro-food exports.

Overseas market penetration programs are mainly being implemented through the Korean Agro-Fishery & Food Trade Corporation (aT) focusing on the participation and marketing of international food fairs and expos, dispatch of market exploration teams and packaging design development project, et. al.. The Korean Agro-Fisheries & Food Trade Corporation (aT) which is sponsored by the Korean government was established in 1986 as a semi - governmental agency specializing in agro-food exports. It is operating Overseas Agro-Trade

Center in Japan (Tokyo, Osaka), Netherlands (Rotterdam), U.S.A. (New York, LA), Singapore, China (Beijing, Shanghai) and Hongkong and playing various roles such as collection of agricultural & fishery trade information, promotion of sales, and public relations development in overseas markets.

The Korean Agro-Fisheries & Food Trade Corporation (aT) supports the exporting companies participating in food expos of major export target countries of Korean agricultural products including Japan, U.S., EU, China, Hong Kong, Russia, Brazil, Australia and Singapore. As part of its overseas marketing efforts aimed at advertising Korean agricultural products in international markets and attracting buyers, the government is also installing outdoor electric signboards in addition to the advertisements on buses and in magazines and leaflets. It further produces and distributes directories of promising export products and Korean exporting companies every year for buyers. The government also recently tries to encourage the use of national brand (Whimori) for exports of Korean agricultural products. Whimori as the national brand for Korean agricultural exports, producing mainly vegetables and flowers, is the symbol of the highest quality and safety.

Fig. 1. National Brand for Exports of Korean Agricultural Products



Since 2008, the Korean government has tried to spread Korean food culture worldwide in the name of "Globalization Strategy of Korean Cuisine". For this goal, Korean government is developing and supporting various programs such as the construction of a database on Korean restaurants overseas and PR activities informing people overseas of the excellence of Korean food. It contributes eventually to the increase in Korean agro-food exports.

The government is also constructing export complexes for the continued supply of high-quality agro-food products for exports. Export complexes are especially targeted at export-oriented production of vegetables, flowers, fruits and these processed goods which have high export value or potential. The government plans to expand the number of agricultural export complexes from 148 in 2006 to 180 in 2010 and 200 by 2013.

The Korean government plans to increase the exports of agro-food products from US\$ 5.9 billion in 2010 to US\$ 10 billion in 2012 to US\$ 20 billion in 2017 through these various efforts to boost agro-food exports.

Date submitted: July 27, 2013

Reviewed, edited and uploaded: August 2, 2013