



Submission No 48

Inquiry into Australia's Relations with the Republic of Korea; and Developments on the Korean Peninsula

Organisation: Department of Primary Industries and Fisheries

**Contact Person: Nick Edols
Trade and Investment Officer
Trade, Markets and Investment**

**Address: GPO Box 46
Brisbane QLD 4001**

Inquiry into the Australia's Relationship with the Republic of Korea; and developments on the Korean Peninsula

Joint Standing Committee on Foreign Affairs, Defence and Trade – Foreign Affairs Sub Committee

Response to Questions on Notice from the Queensland Department of Primary Industries & Fisheries (DPI&F) - September 2005

Presenter: Malcolm Letts, General Manager, Trade Markets and Investment, Department of Primary Industries & Fisheries

Question on Notice	Answer
Chair: "Have any other states posted specific officers in a similar manner to Queensland on food exports" Page 2, 2/3 way down.	Yes, Western Australia has a Government office in the Republic of Korea with three full time trade staff. This office was opened a year ago.
Mr Cameron Thompson "What is happening in the market to Korea for coal" Page 2 at bottom.	Exports of Coal to the Republic of Korea, Queensland have been increasing significantly. The value of hard coking coal from Queensland to the Republic of Korea rose from A\$451 million in 2003/04 to A\$741 million in 2004/05. The value of steaming coal from Queensland to the Republic of Korea rose from A\$526 million in 2003/04 to A\$654 million in 2004/05. <i>Source: ABS Foreign Trade</i>
Mr Wakelin: Can you comment on the wine tastes of Koreans. Top page 1.	Korean tastes for wine have tended to favour the sweeter white wines. However there is increasing interest in a broader range of western wines including sparkling wines and champagnes.
Senator Stott Despoja "What dollar	Queensland Government investment in facilitating export marketing to Korea varies from

<p>amount that Queensland puts into marketing In Korea generally” Page 3, mid way down.</p>	<p>year to year depending on the level of activities planned. In recent years Queensland Government agencies including the Department of Primary Industries and Fisheries (DPI&F) have organised at least five trade missions to the Republic of Korea.</p> <p>The Queensland Government Trade Office in Korea employs five full time staff.</p> <p>Additionally there is two staff in Queensland Government, based in Brisbane who specialise in enhancing trade activity with Korea</p> <p>The Department of Primary Industries & Fisheries is currently looking at placing an officer in Seoul in the Queensland Government Trade & Investment Office (QGTIO) to focus on food and agribusiness trade facilitation.</p>
<p>Senator Eggleston: Do you have joint ventures with Korean breweries? Do you export Fourex beer to Korea? Bottom page 3</p>	<p>As far as can be ascertained there are no joint ventures with Korean breweries with companies operating in Queensland.</p> <p>Currently according to ABS Foreign Trade data there are no sales of Queensland alcoholic beverages from Queensland to the Republic of Korea except for sparkling wine.</p> <p>Lion Nathan, who own Fourex advises that the labelling requirements on each can of beer has been a disincentive for the company to initiate sales of Fourex beer into this market. To meet labelling requirements it is necessary to invest in expensive labelling equipment before any sales can be made.</p>
<p>Senator Eggleston: Is Bundaberg Rum exported to Korea?</p>	<p>There is very little demand for rum in Korea except by the small expatriate population. Rum apparently does not suit the Korean taste. According to ABS Foreign Trade data there are no exports of rum to the Republic of Korea.</p>

<p>Senator Eggleston: Has Barramundi been exported as a gourmet fish product? Top page 4.</p>	<p>Current trade figures from ABS Foreign Trade data indicate there are no sales of barramundi to Korea.</p> <p>However the Koreans are interested in our aquaculture systems to produce barramundi in tanks. Recently the Geongi Provincial Government officials contacted DPI&F Aquaculture R&D Unit at Bribie Island with the purpose of developing a pilot project for producing barramundi in Korea.</p>
<p>Mr Cameron Thompson: What is the size of the organic market in Korea. Page 5.</p>	<p>The value of the organic food market in Korea was estimated at A \$105 million in 2000. <i>Source: Ritchie Cambell and Sivak 2000 based on USDA Foreign Agriculture Service.</i></p> <p>The Queensland Government Trade Office in Korea estimated in 2002 that the annual growth rate of the Korean organic market was 40% – 60%. <i>Source: Organic Food – Queensland DPI&F 2004</i></p>