Korea Coffee Market

TERAROSA Coffee
YUNSON, LEE

Starting coffee in Korea

*1950 Korean War

*1968
- Dong Su Food start to produce Coffee
  (Instant coffee)

*1999
- Starbucks coffee in Seoul
Korea coffee market
Total: $3.691 Billion (from Nielsen Korea/2011)

- Instant: 39%
- Coffee shop business: 24%
- RTD (Ready to Drinks): 37%

2007-2011 Korea coffee market

<table>
<thead>
<tr>
<th>Year</th>
<th>$ Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.558</td>
</tr>
<tr>
<td>2008</td>
<td>1.913</td>
</tr>
<tr>
<td>2009</td>
<td>2.352</td>
</tr>
<tr>
<td>2010</td>
<td>2.937</td>
</tr>
<tr>
<td>2011</td>
<td>3.691</td>
</tr>
</tbody>
</table>
Korea Coffee Market

  95% : 5%

- 2011 Instant Coffee: Roasted Coffee
  85% : 15%

Korea coffee Market Portion

2007 2008 2009 2010 2011

Instant RTD Coffee shop business

% 54 52 48 43 39

% 28 29 30 33 37

% 18 19 22 24 24

% 0 20 40 60 80 100
Coffee shop in Korea

- Total Coffee shop in 2006: 1,600
  in 2011: 12,000

- Major brand Coffee shop in 2006: 1,500
  in 2011: 3,034

Number of Major brand Coffee shop in Korea (2011)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Number</th>
<th>Selling (M$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starbucks (USA)</td>
<td>455</td>
<td>298.2</td>
</tr>
<tr>
<td>Café Bene (Domestic)</td>
<td>730</td>
<td>167.5</td>
</tr>
<tr>
<td>Coffee Bean (USA)</td>
<td>244</td>
<td>133.8</td>
</tr>
<tr>
<td>Tom&amp;Toms (Domestic)</td>
<td>315</td>
<td>62.5</td>
</tr>
<tr>
<td>Hollys (Domestic)</td>
<td>340</td>
<td>57.7</td>
</tr>
</tbody>
</table>
From 2007 to 2011

(10g per cup & over 20 years old only)

number of Cup

2007 2008 2009 2010 2011

247 289 281 309 338

Coffee consumption per Capital

(10g per cup & over 20 years old only)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>248</td>
<td>338</td>
</tr>
</tbody>
</table>
Korea Coffee importing
(2011, from Korea custom)

- Total: 130,000(t)
  - (green bean, a crude article, roasted bean)
- $717 million
- Quantities: 44% up (Comparing to 2007)
- Total Payment: 211% up (Comparing to 2007)
- Total coffee market growth: 3 times.

Market Change (2007-2011)

- A Crude Article: 3.9% -> 6.5%
- Roasted Coffee: 2.8% -> 4.2%
- Green Bean: 93.8% -> 89.3%
Top 10 Countries of green bean importing (T/1995-2012)

- Vietnam: 500,824 Ton
- Brazil: 211,822 Ton
- Colombia: 174,899 Ton
- Honduras: 151,366 Ton
- Indonesia: 145,015 Ton
- Peru: 88,581 Ton
- Thailand: 47,110 Ton
- Mexico: 31,622 Ton
- Ethiopia: 18,601 Ton
- Guatemala: 18,147 Ton

Top 10 Countries of green bean importing ($ Million 1995-2012)

- Vietnam: $692.584 Million
- Brazil: $596.016 Million
- Colombia: $588.862 Million
- Honduras: $439.197 Million
- Indonesia: $198.621 Million
- Peru: $276.385 Million
- Thailand: $72.776 Million
- Mexico: $85.155 Million
- Ethiopia: $72.985 Million
- Guatemala: $72.045 Million
Top 5 countries of Roasted bean importing (T/1995-2012)

- USA: 18692 Ton
- Italy: 5629 Ton
- Japan: 2063 Ton
- Swiss: 1833 Ton
- Brazil: 1208 Ton

Top 5 countries of Roasted bean importing ($million 1995-2012)

- USA: 206.21 million
- Italy: 73.17 million
- Japan: 20.468 million
- Swiss: 6.507 million
- Brazil: 12.112 million
What kinds of coffee...
Best Selling: Amerciano-Espresso+ Hot water
Using Blend Coffee

What kinds of coffee...
2. Hand Drip-single origin
Coffee price in Korea

• One cup of Americano as average: $4

• Coffee price $1.5-$7

• Most expensive: Around $30
  (per cup/at the hotel)

New stream in Korea

• Move from Instant to fresh roasted coffee

• Begin to think of coffee quality

• Want to know traceability