



EXPORTING BEVERAGES TO ASIA

A REGULATORY GUIDE
TO JAPAN, SOUTH KOREA
AND SINGAPORE

OCTOBER 2018

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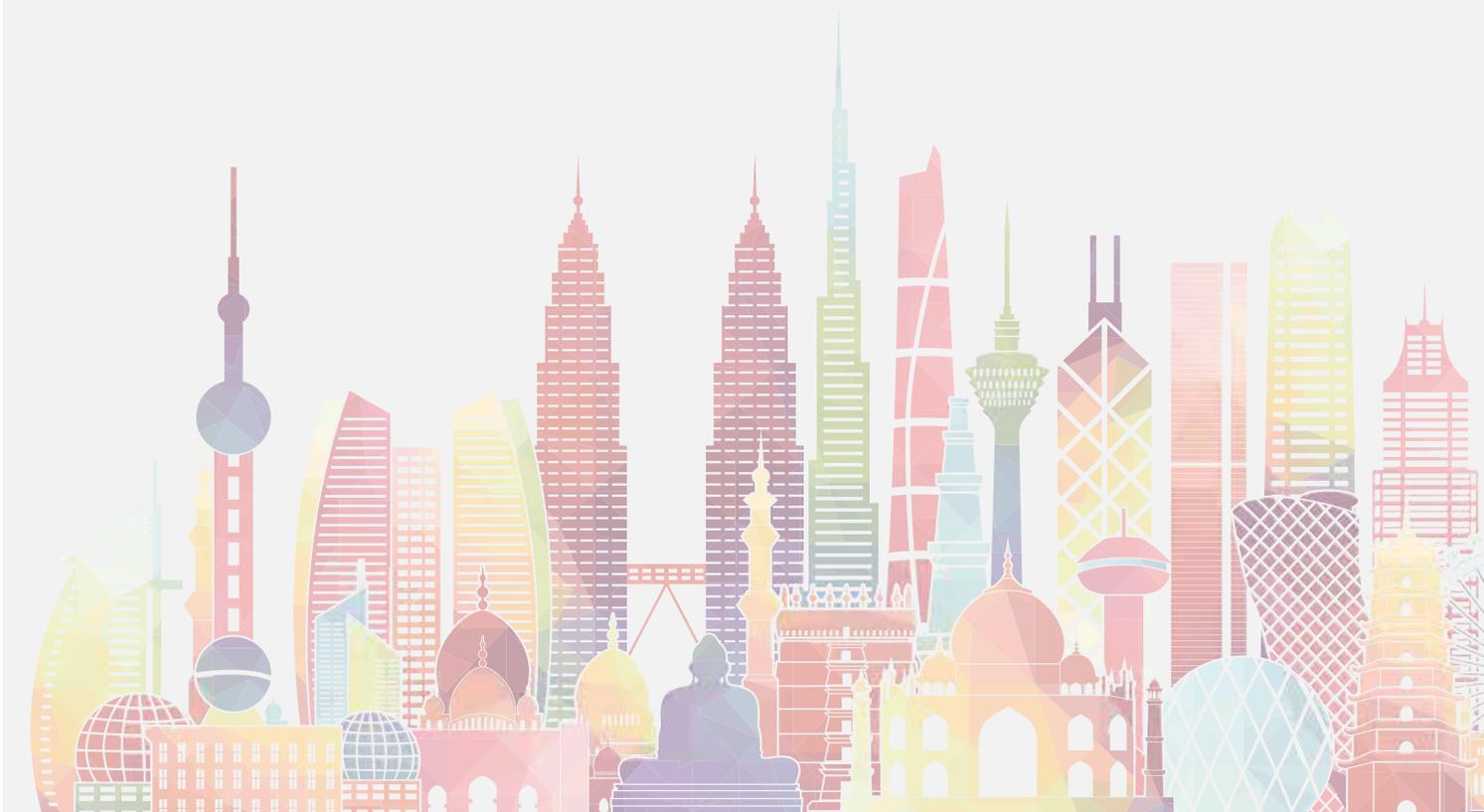
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INTRODUCTION

This Guide has been produced by Bord Bia (Irish Food Board) to help Irish manufacturers of whiskey, white spirits and craft beers gain increased awareness, insight and understanding of the respective regulatory environments to facilitate the importation, distribution and selling of their products in Japan, South Korea and Singapore.

Bord Bia is the Irish government agency whose mission is to drive, through market insight and in partnership with industry, the commercial success of a world class Irish food, drink and horticulture industry.

Bord Bia's Asia Regional Office is based in Singapore. The opening in 2016 of this office represents an important strengthening of Ireland's presence in Asia, in recognition of the growing demand and opportunities for Irish food and drinks exports in the region and, in particular, the industry's ambition for South East Asia.



HOW TO USE THIS GUIDE

This Guide provides an overview of the regulatory and market-entry environment in Japan, South Korea and Singapore for Irish manufacturers of alcohol beverages (whiskey, white spirits and craft beer) who are considering exporting to these markets.

Through this Guide, users will have a greater awareness and understanding of:

- the overall regulatory and policy environment for alcohol beverages in these three markets;
- the key relevant local regulations and procedures that impact the importation, distribution and sale of whiskey, white spirits and craft beers; and
- major potential regulatory, procedural and cultural barriers and constraints.

It is necessarily broad in scope and presents the overarching regulatory requirements and import procedures that apply to the alcohol beverages categories concerned, recommendations for meeting these requirements and general advice for those considering exporting to these markets. Individual company circumstances and export ambitions will vary and by its very nature, this Guide cannot and does not seek to address individual circumstances or company-specific issues.

For each of the three markets covered, the key laws and regulations are identified, and references are provided to enable detailed follow-up by individual companies and their advisers on their specific legal and administrative requirements, as appropriate.

Where these are available, hyperlinks to relevant government websites, legislation and guidance documents have been included in the text as an additional tool for users of this Guide. However, please note that while these links were active at the time of writing (October 2018), such links and the material to which they link may be updated from time to time or even deleted by the body concerned.

As with all laws and legislation, the requirements and regulations covered in this Guide are liable to regular change and updating, sometimes with limited or no prior warning or grace period. Therefore, all those wishing to export to these markets should ensure that they check for updates regularly, verify import requirements and obtain relevant up-to-date advice from their trusted advisers and local in-market business partners before commencing exports.

This Guide includes a list of useful contacts, including government regulatory agencies, Irish Embassy, trade promotion and industry bodies in the three markets.



KEY CONSIDERATIONS AND TIPS

Irish exports in the beverage category overall increased by 7% in 2017 to EUR1.5 billion. There was growth in export values to all three of the priority Asian markets identified by Bord Bia, largely driven by the demand for Irish beer and whiskey. The export values of Irish beverages to the three priority markets in Asia continued growing at 10% equating to absolute values of EUR24 million in 2016 to EUR27 million in 2017.

With an expanding economy and a steadily-increasing population (that stands at over 650 million in South East Asia alone, with a further 126 million and 50 million in Japan and South Korea respectively), Asia offers huge growth potential at a time when Ireland's food and drink industry drives forward to realise its ambition of increasing exports by 85%.

Innovation and emerging global trends are delivering new opportunities in the alcohol beverage category overall. The rapidly expanding and innovative markets in Asia in particular present an excellent opportunity for Irish drinks manufacturers to replicate their success elsewhere with growing demand for craft beers and gin, as well as whiskey. Asian consumers are also discerning with a strong interest in the quality and heritage of products, particularly of foreign brands.

This opportunity will be further enhanced following the signing of the European Union's new Free Trade Agreements (FTAs) with Singapore and most recently Japan. These agreements, once entered into force, will eliminate existing import tariffs on alcohol beverages (notably, beer imported into Singapore). Further regulatory cooperation between the EU and its partners will also likely reduce the emergence of non-tariff barriers to trade. Moreover, Irish Geographical Indications (GIs) such as 'Irish whiskey' and 'Irish cream', will be protected from imitations in these markets. For comparison, it is worth highlighting that following the entry into force of the EU's FTA with South Korea, trade between the two surged, particularly because of the reduction of trade barriers and tariffs as well as the protection of GIs. As a result from a substantial trade deficit with South Korea in 2010, the EU was running a surplus of EUR3.1 billion by 2016¹.

Some of main options available for Irish alcohol beverage producers who do decide they want to export and sell their products into Asian markets are provided below. However, whichever of the options is eventually chosen it is essential that, before a decision is taken to go ahead and a contract signed, adequate time is invested in understanding the market, the consumer, the opportunities for alcohol beverages, your brands, and the specific product(s) in particular, as well ensuring that you are aware of the potential challenges and pitfalls

ASIA OFFERS HUGE GROWTH POTENTIAL AT A TIME WHEN IRELAND'S FOOD AND DRINK INDUSTRY DRIVES FORWARD TO REALISE ITS AMBITION OF INCREASING EXPORTS BY 85%.

¹ European Commission (https://ec.europa.eu/agriculture/sites/agriculture/files/trade-analysis/statistics/outside-eu/countries/agrifood-south-korea_en.pdf)

Before taking any major business decisions to start exporting to a new market, exporters should always;

Engage with Bord Bia's Plan to Grow service

Plan to Grow is a new service from Bord Bia focused on Commercial Marketing Strategy development, planning and implementation. Plan to Grow will enable and support companies on their route to market journeys and will include online, workshop and bespoke strategic marketing assistance. The steps outlined below are addressed within Plan to Grow and manufacturers are encouraged to contact their Sector Managers to avail of this end to end service.



Carry out in-depth Market Research

Invest time and effort in thorough research so that whatever decisions are eventually taken are sufficiently informed ones. As well as alcohol consumption patterns and trends, it is important to look at the competitive landscape, the socio-economic context and cultural factors and potential language barriers. Among other key things to consider are factors such as ease of doing business and potential regulatory requirements and constraints.

Understanding the social and business culture, especially attitudes to alcohol and drinking, and the venues at which beverages are consumed is essential. Time spent on reconnaissance is rarely wasted: visiting the market(s) of interest in exporting to do on-the-ground reconnaissance and research of potential customers, competitors, distribution channels and routes to market is essential. Bord Bia's Thinking House has a wealth of research and reports to aid this step of the market entry process.

Tap into Your (and others') Networks

Spend time meeting and talking to others who have first-hand experience of doing what you plan to do. As well as helping you to avoid the potential pitfalls it will enable you to decide if importing into the market you have identified really is the right decision for your company at this point in time, and the potential negative and positive impacts it could have on your core business.

Understand the challenges and barriers to entry they faced and if, and how, they managed (or mitigated) them; find out what they feel works well and what does not, and ask them about the upfront and on-going financial, human and time investment and commitment required to export successfully and to continue to grow a business remotely far away from the company's HQ and core market(s).

Make Use of Available Resources and Tools

As well as doing your own desk research and talking to other members of network, make full use of Bord Bia's Thinking House and networks of contacts in Ireland, and in the markets you are interested in exploring. In respect of the three markets covered in this Guide, Bord Bia's Asia Regional Office in Singapore provides advice and support for Irish food and drinks exporters, including those wishing to export alcohol beverages.

KEY CONSIDERATIONS AND TIPS CONTINUED

Bord Bia's Regional Office in Singapore functions as a springboard from which Irish food and beverage exporters can explore market opportunities and develop routes to market in South East Asia, Japan and South Korea. By developing in-depth market insight and establishing contact with networks of retailers, distributors and outlets, the Bord Bia team in Singapore is well-placed to assist Irish exporters in searching for new partners and customers in the region.

Your Sector Manager in Bord Bia's Dublin office will provide an introduction to the South East Asia Manager as part of the Plan to Grow service.

Enterprise Ireland also has local market representation in Japan, South Korea and Singapore which can offer guidance and support to Irish exporters with local market research, market entry options and identifying local partners (agents and or distributors), as well as networking opportunities and advice on cultural considerations. Each office has its own website with useful up-to-date information and tips for exporters (see Useful Contacts.)

Bord Bia and Enterprise Ireland work closely with the local Irish Ambassadors and Embassies to promote Irish interests and businesses abroad. For example, the Ambassador to Singapore chairs the Local Market Team whose members work together to maximise opportunities for Irish business interests by:

- Supporting Irish companies who want to access the local market;
- Providing general advice on doing business locally and, through their network of contacts, pursue opportunities that will benefit Ireland;
- Working to secure market access for Irish products in key sectors;
- Promoting Ireland as a location for tourism and for investment.

The Embassies each work closely with Irish business networks such as the local Irish Chamber of Commerce and with members of the Global Irish Network in the region to promote Irish business and economic interests through key contacts and business links.

As well as providing a link to Irish Chambers of Commerce abroad, Chambers Ireland also provides invaluable support in Ireland to members wishing to succeed overseas, and maintains close links with the International Chambers of Commerce (ICC) based in Paris. The International Department at Dublin Chamber in particular offers a range of services and expertise to help exporters deal with documentation including, among others, help with certification of documentation (e.g. commercial invoices, packing lists, etc.) and EU certificates of origin. The Chamber also organises overseas trade missions and international business exchange programmes.

The European Union (EU) has representatives in the three markets and can provide very useful support and information for Irish exporters. This includes, among others, trade related information and exporter support, such as the online EU Market Access Database (MAD), regular annual or bi-annual trade missions, promotion and support of bilateral business forums including active participation in local EU Chambers of Commerce and networking events.

The EU also has regular bilateral meetings at both political and regulator levels. These can provide opportunities for companies to seek EU support to address market entry and regulatory challenges they face. These bilateral meetings are especially important in the context of the EU's Free Trade Agreements with these markets.

Seek Professional Business, Legal and Communications Advice

It is always advisable to take appropriate professional advice when considering major business decisions; this is doubly true - and particularly important - in markets that are unfamiliar, and in which the legal and business environments are significantly different from those in Ireland. Engaging the right professional advisers with local knowledge and expertise can save you significant time in navigating the local laws and customs and importantly, help you to avoid potentially serious and costly mistakes. One example of this would be in the area of gift giving which is a common practice throughout East Asia (not only the three countries which are the focus of this Guide) but if done without proper advice could contravene Irish, EU and or local laws.

You are strongly advised to seek advice before you take key decisions regarding route to market and entering into any business commitments or contractual arrangements with local partners or distributors. This will help to ensure that your interests are adequately protected (e.g. intellectual property rights, pricing and payment terms) and that you have full visibility of the contractual, legal and tax consequences, costs or obligations arising in respect of the decisions you plan to take, including those arising should there be a dispute with a local business partner or distributor. Advisers can also help you with the necessary due diligence on potential local business partners, distributors and customers.

Another area that can be overlooked in the rush to get product on the market, is the benefit of engaging professional communications and translation support locally including for advertising, marketing and promotional materials. Doing so before you launch can help to ensure that your market positioning and messaging (including website/social media content) are available in local languages, are sensitive to cultural differences and maximise their impact and reach to your customers. Whilst English is the international language of business in East Asia and it is taught compulsorily

in Japan, South Korea and Singapore from Elementary School level through to Secondary level, Singapore is the only one of these markets in which English is the universal language of business and is spoken proficiently. For Japan and South Korea, local language capabilities are essential.

Lastly, an overarching aspect of all professional and private inter-personal dealings in East Asia is the concept of 'face', as in the English language concept of 'losing face'. All East Asian cultures have a specific linguistic reference for 'face', including the three which are the focus of this Guide (i.e. 'Mentsu' in Japanese, 'Kibun' in Korean and 'Mientsu' etc. in Singapore). This is an inherently challenging concept to grasp (let alone abide by) for people from outside the East Asia Region, but it can be broadly explained as referring to a person's sense of dignity or prestige in a professional and private setting. Guidance from professional advisers should be sought on this when planning and deploying commercial relations with East Asia.

Options for Irish Exporters

There are three main options for Irish exporters wishing to enter a market:

- Export directly from Ireland (with or without help from a Customs Broker);
- Identify and appoint a local partner or representative (e.g. agent or distributor);
- Establish a local business presence (e.g. set up a foreign entity or sales office).

There are pros and cons for each option. Which option is the most appropriate will vary depending, among other things, on an individual exporter's circumstances, business strategy and previous export experience (both generally and in respect of the market concerned).

KEY CONSIDERATIONS AND TIPS CONTINUED

Whatever the preferred option, potential exporters should ensure that they undertake full due diligence before making key business decisions or entering into contractual arrangements with overseas partners and customers. It is strongly recommended that appropriate professional business and legal advice be sought regardless of the target market.

Customs Broker

Supports exporter in managing shipping and Customs procedures and clearance (export and import), including communicating directly with the Customs Authority and other relevant government agencies. They can also arrange for bonded warehousing, payment of local import duties and related taxes, and local / onward forwarding, among others.

Agent

Works on behalf of the manufacturer in-market to identify market opportunities and customers, and depending on the arrangements agreed may also support in-market advertising and promotions. The agent does not own the goods but works on either a fixed fee or for a commission.

Distributor

Usually buys product from the manufacturer and then sells the product on to customers directly (either wholesale or retail) on their own behalf at a profit.

Exporting Directly

Irish manufacturers can export directly to customers in Japan, South Korea and Singapore. However, while this may be appealing in some ways - not least direct control over the whole process and direct contact with customers - exporting directly is often time consuming and resource intensive. The exporter will have to deal with all official import and distribution administration, including Customs Clearance, some, if not all, of which will need to be undertaken in a foreign language. The exporter will also be responsible for ensuring the products are in compliance with local laws. The laws and procedures in Japan

and South Korea tend to be prescriptive, can change with little or no warning, and the penalties for violations can be high. While Singapore is, in theory, simpler as English is an official language, it too is not without its challenges. Moreover, when issues do arise either at the border or in the market, managing them from a distance is challenging, particularly given the time differences between Ireland and Japan, South Korea and Singapore (of seven to nine hours).

If you do decide to export directly into Japan, South Korea or Singapore, you may want to consider using an experienced and suitably qualified Customs Broker to help you manage the importing and Customs Clearance process and clearance in the market.

Local Partners

Working with a reputable and experienced local partner can help to navigate the local laws and customs and ensure you keep up with any legal and regulatory changes. It also enables exporters to benefit from local knowledge and plug into existing distribution networks, as well as to manage the day to day communication. The latter is particularly relevant in Asian markets where customers are often very demanding and have high customer-service expectations. A local partner will also help you to develop and maintain effective networking and on-going business relations.

It is consequently unsurprising that most new entrants choose to work with a local partner, at least at the beginning, despite the potential disadvantages of doing so (e.g.: losing visibility of customers and control over customer relations, as well as additional costs of engaging a third party).

Investing sufficient time and effort in identifying and selecting the right business partner is therefore essential. As well as considering business fit (i.e.: sectoral expertise, experience and existing networks, reputation, local language skills, etc.), it is also important to take account of business and societal cultural factors and expectations that will ultimately play a role in determining the success of any business partnership.

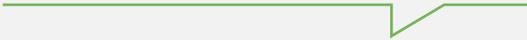
Names of potential partners are available from a number of sources, including among others - Bord Bia and Irish Embassies, Chambers of Commerce as well as Enterprise Ireland's in-market teams. Attending trade promotion events and trade fairs in your target market is also a useful way of meeting potential partners and such events are popular in East Asia.

Setting up a Business Locally

Various options are available to Irish exporters who do decide they want to establish a direct presence in Japan, South Korea or Singapore. These options include, for example, to set up a wholly owned foreign enterprise (or subsidiary), a branch office of a foreign company, or a liaison or representative office. The legal and taxation obligations will vary depending on the market concerned and on the business structure chosen.

The choice will determine not only how the business is established and treated in respect of commercial laws and practices and taxation, but also what business activities the entity may perform locally. For example, in South Korea, unlike a branch of a foreign company, a liaison office cannot perform general business or revenue generating activities such as direct sales or maintaining stocks of products for sale; and its activities are restricted to auxiliary and support functions, such as market research and advertising. Therefore, it is essential to get appropriate legal and tax advice from reputable local lawyers and tax advisers, who can help you make the right choice for your business, as well as helping to fulfil the necessary legal and administrative filings required.

INVESTING SUFFICIENT TIME AND EFFORT IN IDENTIFYING AND SELECTING THE RIGHT BUSINESS PARTNER IS ESSENTIAL.





JAPAN MARKET

JAPAN MARKET

 JAPAN		 IRELAND		
Tokyo	◀	Capital	▶	Dublin
100,210 km ²	◀	Geographic Size	▶	84,421 km ²
126 million ²	◀	Population (2016)	▶	5.01 million ³
Japanese	◀	Official Language/s	▶	Irish Gaelic, English
Japanese Yen (JPY)	◀	Currency	▶	Euro (EUR)
1 JPY = 0.0076 EUR ⁴	◀	Exchange Rate (Aug 2018)	▶	1 EUR = 131.54 JPY ⁵
4.94 trillion USD	◀	GDP (2016) ⁶	▶	304.8 billion USD
1.0%	◀	GDP Growth (2016) ⁷	▶	5.1%
38,000 USD ⁸	◀	GNI per capita (2016)	▶	52,560 USD ⁹
104.8	◀	Consumer Price Index (Jan 2018) ¹⁰	▶	104.1
High Income	◀	Income Category ¹¹	▶	High Income
20/180	◀	Corruption Perceptions Index Ranking (2017) ¹²	▶	19/180
12/160	◀	Logistics Performance Index Ranking (2017) ¹³	▶	18/160
34/190	◀	Ease of Doing Business Ranking (2017) ¹⁴	▶	17/190

GLOSSARY OF TERMS

<p>B/L ▶ Bill of Lading or Airway Bill</p> <p>BAC ▶ Blood Alcohol Concentration</p> <p>CAA ▶ The Consumer Affairs Agency</p> <p>CIF Value ▶ Cost, Insurance and Freight Value</p> <p>Content Weight ▶ Volume (in litres or millilitres)</p> <p>DNA ▶ Deoxyribonucleic acid, signifying hereditary genetic characteristics</p> <p>EU ▶ The European Union</p> <p>FSA ▶ Food Sanitation Act</p>	<p>FTA ▶ Free Trade Agreement</p> <p>FY ▶ Fiscal Year, Financial Year</p> <p>General Rate ▶ Customs tariff rates</p> <p>GI ▶ Geographic Indication</p> <p>GMO ▶ Genetically Modified Organism</p> <p>HS Code ▶ Harmonised System Code</p> <p>JETRO ▶ Japan External Trade Organisation</p>	<p>METI ▶ The Ministry of Economy, Trade and Industry</p> <p>MHLW ▶ The Ministry of Health, Labour and Welfare</p> <p>NTA ▶ The National Tax Agency</p> <p>OECD ▶ Organisation for Economic Co-operation and Development</p> <p>UCP ▶ Utensils, containers and packaging</p> <p>US ▶ The United States of America</p> <p>WTO ▶ The World Trade Organisation</p>
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2 The World Factbook, CIA, Japan

3 The World Factbook, CIA, Ireland

4 XE Exchange Rate: JPY to EUR (Aug 2018)

5 XE Exchange Rate: EUR to JPY (Aug 2018)

6 The World Bank Data 2016

7 The World Bank Data 2016

8 The World Bank, Japan

9 The World Bank, Ireland

10 The OECD Stats

11 World Bank Country Categorisation by Income: high-income countries are those with a GNI per capita of USD 12,236 or more.

12 Transparency International, Corruption

Perceptions Ranking 2017

13 The World Bank, Logistics Performance Index Rankings 2016

14 The World Bank, Doing Business Rankings 2017

MARKET OVERVIEW

Throughout its history, the Japanese people have had a close and comfortable relationship with drinking, which has played its part at the centre of the country's social, religious and business life. Today, drinking is still seen by the vast majority of Japanese as a positive and enjoyable aspect of everyday life, and is regarded overwhelmingly as a natural, sociable and friendly activity.

Japanese and Irish cultures share the idea that drinking brings people and communities together. Ireland also enjoys a very positive image in Japan – as a land of informality, fun and openness, as well as a country of nature and open spaces. These images appeal in Japan not only for their intrinsic allure, but also because they contrast with the formal, hierarchical and increasingly urban sides of Japanese society.

Japan's most popular drink is beer (lager), with the big Japanese makers' output clearly influenced by their historic German roots. While Japan's traditional indigenous drinks, such as sake and shochu, have seen a slow but prolonged decline, young Japanese consumers have become increasingly adventurous in their tastes, and have proved ready to explore new products and new brands.

The EU-Japan Economic Partnership Agreement is designed to enhance the recognition and protection of EU and Japanese geographical indications in their respective markets. Ireland currently has three alcohol beverages registered as geographical indications.

Japan's consumers are famously discerning. In addition, Japanese culture places particular value on people doing their job as well as it can possibly be done, particularly in the case of 'monozukuri' – the making of physical things. Together, these aspects of Japanese values, result in a deep respect for artisanship and craftsmanship, and respect for product quality – things which lend themselves well to the alcohol beverages sector.

The other side of the coin, of course, is that Japanese consumers have very high expectations and can be very exacting. Even by the standards of other advanced

economies, Japanese consumers are extraordinarily sensitive to the issues of food safety and quality, regarding them as characteristics that set Japan apart (for the better) from other countries.

There are many examples of Japanese consumers exacting a high price from food and beverages companies that fail to live up to these high standards. Recent cases include a major international fast food chain's Japan entity which suffered a significant decline in sales after reports of objects found in its food, while the food division of a major domestic tobacco company was boycotted by consumers following sabotage of one of its products by a disgruntled employee in China, and a once dominant household domestic dairy brand was driven out of business altogether after revelations about poor hygiene at its main dairy products plant.

Japanese consumers take compliance very seriously; they expect and trust their regulators to keep them safe and support them in setting high standards and strict rules. Consumers expect businesses to obey those rules, seeing a strong culture of compliance in a company as an indicator of good corporate citizenship. Japanese products often emphasise the measures they have taken to protect consumers and to comply with regulatory requirements, for example with regards to consumer safety or thoughtful consideration of consumers' needs. This can take the form of more comprehensive labels or instructions on products than is normal in other markets. While consumers elsewhere might find some of the information on Japanese products obvious or superfluous, Japanese consumers are instead likely to regard an abundance of warnings, guidance and advice as thoughtful and reassuring.

Tax-free shopping in Japan is hugely popular with the rapidly growing number of inbound tourists, a large proportion of whom are from neighbouring Asian nations, including China, Taiwan and South Korea. On 1 April 2017, Japan relaxed its regulations on tax-free shopping to make it easier for shoppers to purchase alcohol beverages tax free (net of consumption tax). Consumption tax is due to increase from 8% to 10% in October 2019.

The issue of consumption tax rises is hugely sensitive in Japan, so there is a small possibility that the rise could be postponed.

Japan does not discriminate against non-Japanese companies in the alcohol beverages sector. The way rules and regulations are applied will be the same for Japanese and non-Japanese players alike. In addition, while Japanese rules can be tough, they tend to be clear, and to have been thought through very carefully. It can take time and effort therefore to get through the initial administrative hurdles, but once an Irish exporter is through, all of the work will have been done up front, and the Irish exporter will then have free access to the world's most sophisticated and discerning consumer market, and the run of the world's third largest economy.

There are well established paths for importers to follow. Distribution, licensing, taxation, Customs and other administrative requirements can be handled by specialist distributors, import agents, or companies who specialise in each of these areas for the Japanese market. JETRO and or Bord Bia can help to identify suitable expertise. Japanese suppliers in these areas are usually very diligent and know their chosen field well. Even so, quality and areas of specialisation vary, so it is worth shopping around and seeking recommendations or references where possible.

Corruption and organised crime should not be an issue when importing to Japan. Membership of Japanese organised crime groups is in long-term decline, and it is very unlikely that it will be seen at all. However, should an Irish exporter (or its Japanese partner/s) encounter any hint of it, it is essential that it be reported immediately to the relevant authorities (e.g. police), and that they do the right thing from the outset.

One of the methods preferred by Japan's organised crime groups is to convince victims into believing they can solve problems with them through a one-off 'deal'. Instead of making problems go away, however, things get worse from there, with the fact of collusion being used to pile on further pressure. It is vital therefore that employees and agents at all levels know that there will be a zero-tolerance approach to contact with organised criminal groups, and that they are given clear instructions to report anything of this nature to their superiors.



Japan's most popular drink is beer (lager), with the big Japanese makers' output clearly influenced by their historic German roots.



Should an Irish exporter encounter any hint of [organised crime] it is essential that it be reported immediately to the relevant authorities.

MARKET OVERVIEW CONTINUED

1. Alcohol Consumption

Japan is a highly developed and market-oriented economy. It is the fourth-largest in the world by nominal GDP and the fifth-largest by purchasing power parity, according to the International Monetary Fund (2018). Recent demographic changes in the country, including a rapidly aging population, persistent low childbirth rates, and a shrinking population, have influenced overall alcohol consumption downwards in the last decade (- 13% between 1996 and 2016). Nevertheless, Japan remains, with its affluent consumer base, one of the most interesting markets for quality Irish alcohol beverages.

Alcohol Facts Box - Japan

Pattern of Drinking Score¹⁶	This composite measure of drinking patterns reflects how people drink instead of how much they drink, on a scale of 1 (least risky pattern of drinking) to 5 (most risky pattern of drinking). Attributes used to create this indicator include quantity of alcohol consumed per occasion, festive drinking, the proportion of drinking events when getting drunk, the proportion of drinkers who drink daily, drinking with meals, and drinking in public places.	2 (somewhat risky)
Alcohol Consumption	Proportion of alcohol beverages in 2010 ¹⁷	Spirits 52% Others 25% Beer 19% Wine 4%
	Total alcohol consumption per capita (15+yo) in 2015 ¹⁸	7.5 litres
	Change in consumption volume (2003-2005 and 2008-2010) ¹⁹	-0.8 litres (from 8.0 litres to 7.2 litres)
	Total alcohol per capita, drinkers only (Males) in 2010 ²⁰	13.7 litres
	Total alcohol per capita, drinkers only (Females) in 2010 ²¹	6.7 litres
Prevalence of heavy drinking	Total alcohol per capita, drinkers only (Both sexes) in 2010 ²²	10.4 litres
	Prevalence among both sexes over 15 in 2010, % of total population	17.5%
	Prevalence among both sexes over 15 in 2010, % of total drinkers	25.3%
	Prevalence of abstainers (people who have not drunk in the last 12 months) among both sexes over 15 in 2010, % of total population	31.1%

¹⁶ The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Japan

¹⁷ The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Japan

¹⁸ World Health Organisation, Global Health Observatory Data Repository, 2015

¹⁹ The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Japan

2. Alcohol Policy

In Japan, the national legal minimum age for on- and off-premise sales of alcohol beverages (e.g. beer, wine and spirits) is 20 years. The maximum permitted breath alcohol concentration (BAC) when driving a vehicle as a general, young or professional driver is 0.15mg, which is lower than many other OECD countries.

There are no restrictions for on- or off-premise sales of alcohol beverages regarding hours, days, places, specific events, or intoxicated persons.

There are currently no legally binding regulations on alcohol advertising, sponsorship, and promotion. No health warning labels are required on alcohol containers or advertisements by law. However, in 1988 a collection of nine industry groups enacted a new set of self-regulating advertising restrictions. The guidelines were later revised in April 2017. The voluntary industry guidelines encompass all types of alcohol beverages. All advertisements and/or marketing materials for alcohol beverages must state that it is prohibited by law for a minor (under the age of 20) to consume alcohol. Actors in alcohol beverage advertisements must be a minimum of 25 years old. No impressions, phrases, expressions, clothing, imagery, etc. are allowed to communicate or give the impression that the actor in the alcohol beverage ad is under the age of 25. Also, it is required that all advertisements and/or marketing materials must include information that says the consumption of alcohol during pregnancy or breastfeeding can cause defects and health issues.

Regarding the impacts of alcohol on health, in December 2013, the Basic Law on Measures Against Health Problems Caused by Alcohol Intake (also known as the Alcohol Problem Basic Law for short) was enacted by the Diet. This law establishes measures to address alcohol-related problems including health issues and alcoholism. It encourages national and local governments to take measures to reduce problems caused by people who have consumed alcohol and to educate the population about alcoholism. An Alcohol Problems Awareness Week is to be held every November to educate the public about alcoholism, promote early detection of alcohol problems in health check-ups, and support rehabilitation programs.



The maximum permitted breath alcohol concentration (BAC) when driving a vehicle is 0.15mg, which is lower than many other OECD countries.

20 The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Japan

21 The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Japan

22 The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Japan

MARKET OVERVIEW CONTINUED

3. Doing Business in Japan – Important to Know

Any company wanting to do business in this market first of all needs to be aware of Japan's unique social and business norms. Japan has a highly structured and traditional society where strong personal relationships between partners are an indispensable element of any business relationship. Below are a few tips that will help you conduct yourself in accordance with the local business etiquette:

- Where possible bring an interpreter that can adequately translate ideas and concepts in Japanese and vice versa. In the absence of an interpreter speak slowly and clearly, even if you know that your counterparts speak English.
 - Make appointments as far in advance as practical. Carry plenty of business cards (meishi) and present them formally with two hands at each new introduction—better if you include your information in Japanese on the back of the card.
 - Be on time for all meetings; Japanese are very punctual.
 - Be prepared for negotiations to move slowly and that they require a number of meetings and probably several trips (see last bullet point below) to reach an agreement.
 - As companies are very hierarchical and decision making is taken at senior levels, make sure you identify the person with enough authority to make decisions.
 - Beware that Japanese are very risk adverse, so be ready to prove that your proposition is based on solid market research.
- Expect detailed questions and requests for information on ingredients, production processes and quality controls. Try to respond to all requests for information as thoroughly and promptly as possible as well as ensuring that all the information provided is correct.
 - Visit the market regularly: direct interpersonal interactions are universally important regardless of cultural context but in Japan they are particularly so. Whether it is part of the initial market assessment or part of your ongoing marketing and business development activities, regular market visits are essential in establishing, building and sustaining commercial (and personal) relationships. The exact frequency of the visits is less important than demonstrating the willingness to do it and following through by doing so (within your financial means). Japanese businesses and businesspeople value long-term relationships built on trust, mutuality and built over time and are famous for being hard to secure a first deal / contract with but after that being loyal business partners.

4. Options for Irish Exporters to Japan

There are three main options for entering the Japanese market:

- Export directly from Ireland;
- Appoint a local representative, (e.g. agent or distributor);
- Establish a business presence in Japan (e.g. set up a company, branch, sales office).

There are, as noted previously, pros and cons for each option and which option is the most appropriate will vary depending, among other things, on the individual exporters' circumstances, business strategy, previous export experience and knowledge of the local market and Japanese language.

Working with a Local Partner

While theoretically it is possible to export directly from Ireland to Japanese customers, the vast majority of Irish companies consider relying on local partners (be it as an agent or an exclusive/non-exclusive distributor) a necessary condition to do business in Japan. Apart from guiding you through Japan's licensing, standards, and taxation policies for the importation, distribution and selling of alcohol beverages, local partners can play an indispensable role in helping to overcome the significant language barrier and understand Japan's unique business culture.

Be ready to invest a vast amount of time and resources in identifying potential partners and establish a personal relationship with them. As outlined in Table 5 below, Japan holds several exhibitions for food products and alcohol beverages that provide good networking opportunities to meet potential business partners and clients. Beware that potential partners will thoroughly assess the pros and cons of establishing a working relationship with foreign companies too. Therefore, it is vital for you to be prepared for detailed requests of information regarding your business strategy and product portfolio.

Irish businesses seeking partners in Japan can obtain

useful contacts and advice from Bord Bia and a number of Ireland-focused organisations that are based in Japan including the Tokyo offices of Enterprise Ireland as well as the Ireland Japan Chamber of Commerce²³.

Establish a Presence in Japan

Because of the length of time it generally takes for Japanese companies to decide to do business, many Irish exporters decide to establish a direct presence in Japan. Setting up a business is relatively quick (theoretically a business can be set up in 14 days) and not too onerous. However, given the complexity of the marketplace it is highly advisable to seek specialist advice on the various legal options available. These include setting a representative office (which cannot perform activities other than market research and Public Relations), establishing a branch office, a Japanese subsidiary or a Limited Liability Partnership. Legal and taxation obligations vary depending on the business structure chosen.

Additional Requirements for Japanese Companies Intending Importing and Selling Alcohol Products

Irish exporters who decide to set up a company or sales unit in Japan in order to import, distribute or sell alcohol products need to obtain a license to sell alcohol beverages under the provisions of Liquor Tax Law. This does not apply to importers intending to provide imported alcohol beverages for drinking at self-owned establishments (bars, restaurants, etc.).

The type of license required depends on the range of alcohol beverages being sold and the sales channel, as indicated in Table 1. Applications must be submitted to the relevant Director of the Tax Office (his/her jurisdiction is determined based on the location of the sale of the alcohol).

Of these, licenses for wholesale dealers of all alcohol beverages and beer wholesalers are awarded by lottery,

²³ See 'Useful Contacts' at the end of this Japan Chapter

MARKET OVERVIEW CONTINUED

with applications solicited every September by the National Tax Agency. All other licenses are awarded by the National Tax Agency based on the standard registration process.

Table 1: Characteristics of Major Licenses to Sell Liquor²⁴

Wholesale dealer's license for all alcohol beverages	All kinds of alcohol beverages, irrespective of domestic or import products can be sold wholesale; retail distribution of any alcohol beverage is prohibited.
Wholesale dealer's license for Western liquor	Western liquors other than beer can be sold wholesale; retail distribution of any alcohol beverage is prohibited.
Wholesale dealer's license for imported alcohol beverages	Imported alcohol beverages can be sold to retailers; retail distribution of any alcohol beverage is prohibited.
General retail dealer's license for alcohol beverages	Alcohol beverages, including import products, can be directly sold to general consumers in the distribution area; wholesale distribution of any alcohol beverage is prohibited.
Mail-order retail dealer's license for alcohol beverages	Alcohol beverages can be sold by mail order to consumers, restaurants, etc.; note that the maximum allowable volume of imports is less than 100 kilolitres per year.

²⁴ https://www.jetro.go.jp/ext_images/en/reports/market/pdf/guidebook_food_alcohol_beverages_rev.pdf

REGULATORY ENVIRONMENT

The system regulating alcohol imports to Japan requires importers to comply with a series of licensing, standards and taxation policies. The various elements of this system are subject to numerous legislations and are overseen by various government agencies. The main stakeholders include:

- The National Tax Agency, which manages liquor taxes;
- The Ministry of Health, Labour and Welfare (MHLW), which has jurisdiction over the Food Sanitation Act (an act that regulates alcohol beverages imported for sale);
- The Consumer Affairs Agency (CAA), which manages standards for quality labelling; and
- The Ministry of Economy, Trade and Industry (METI), which has jurisdiction over the Act to Promote Effective Use of Materials (regulating the reuse and labelling of recyclable materials used in manufacturing products).



Customs procedures and documentation requirements are rather complex particularly for companies entering the market for the first time. However, local partners and professional services (such as Customs Brokers) can offer assistance in all steps of the import procedure.

1. Import Procedures

Customs procedures and documentation requirements are rather complex particularly for companies entering the market for the first time. However, local partners and professional services (such as Customs Brokers) can offer assistance in all steps of the import procedure.

It is important to comply with all Japanese requirements and standards as non-compliance can lead to the rejection of products and in serious cases in criminal proceedings. All documents submitted to Japanese authorities will need to be submitted in Japanese language. This will mean that all original English documents that are prepared by the exporter will need to be accompanied by Japanese translations.

Prior to shipment to Japan, exporters must submit an 'Import Notification' form to a Quarantine Station at the intended port of entry. The Import Notification can be submitted either electronically (MHLW registration required) or in hardcopy.

An account of materials, ingredients and manufacturing methods used for the product is required as supporting documentation. It is advisable to enquire directly with the relevant MHLW quarantine stations regarding import requirements and other matters prior to shipment.

The Import Notification must be submitted before the products have cleared Customs, but no more than seven days prior to their estimated time of arrival. At the quarantine station, food sanitation inspectors will then carry out document check and inspection to confirm the products comply with domestic manufacturing and food standards (e.g.: any additives used are permitted and compliant and that no poisonous or hazardous substances are contained) and whether the exporter or manufacturer has a previous record of failing to meet food sanitation requirements.

If the document examination and cargo inspection have found that the cargo is in compliance with the law (the cargo 'passed' the inspection), a 'Certificate of Notification' will be returned to the importer from the MHLW quarantine station where the notification was first submitted. The import procedures, then, will proceed to Customs Clearance.

Customs Documentation

Customs clearance procedures are administered by a separate agency, the Customs and Tariff Bureau of the Ministry of Finance, and are accountable to a different legal framework, namely the Customs Law.

The formalities start with the lodging of an import declaration (in Japanese) and end with issuance of an import permit after the necessary examination and payment of Customs duty and excise tax (see dedicated section). A guide to complete the import declaration can be found here. Other documents required for Custom Clearance are:

- Commercial invoice;
- Bill of Lading;
- Packing list;
- Certificate of Origin (necessary to obtain preferential tariff treatment once EU-Singapore FTA enters into force);
- A Certificate of Analysis certifying that microbiological and physical/chemical tests have been carried out by an appropriate laboratory (for a list of accredited laboratories in Ireland [click here](#)).

2. Alcohol Taxes

Irish exports of whiskey, liquors and craft beers do not face any import duties when entering Japan. However, they are subject to the following domestic taxes:

Liquor Tax

The liquor tax is a specific duty that is imposed according to the type of beverage and alcohol content of an item. It is regulated by the *Liquor Tax Act*²⁵. Under the *Liquor Tax Act*, alcohol beverages are defined as beverages with an alcohol content of 1% or higher. Beverages containing less than 1% are treated as soft drinks.

The liquor tax rates are summarised in Table 2.

Table 2: Summary of Liquor Tax Rates by Alcohol Type

Classification	Alcohol by volume	Rates / kilolitre
Beer	–	JPY220,000*
Whiskey, spirits (gin, etc.)	< 37% vol	JPY370,000
	≥37% vol	JPY370,000 + JPY10,000 added per percentage point of alcohol by volume over 37% vol

* The rate for beer is scheduled to gradually decrease from JPY220,000/kilolitre to JPY200,000/kilolitre on 1 October 2020, JPY181,000/kilolitre on 1 October 2023, and JPY155,000/kilolitre on 1 October 2026, as part of a tax reform announced in 2017 designed to address perceived unfairness in the tax system.

Consumption Tax

An 8% consumption tax is imposed on imports to Japan. The consumption tax is expected to increase to 10% on 1 October 2019. Generally, this tax is levied on the sum of cost (C), insurance (I), freight (F) and tariff duties using the following formula: (CIF + Tariff duties) x 8%.

25 酒税法

3. Sales and Marketing

As explained in the Market Overview section, Japan has few sales and marketing restrictions. While Japan's minimum age for selling alcohol which is set at 20, one of the highest across the OECD countries and Key Partners (i.e. Brazil, China, India, Indonesia, Russian Federation and South Africa), other restrictions are either non-existent (e.g. time/place restrictions for on- and off-premise sales) or of a voluntary nature such as on advertising and marketing²⁶.

Advertising and Marketing

Though Japan does not have any strict regulations on advertisements and commercials promoting alcohol beverages, voluntary standards have been released by the Alcohol Beverages Advertising Evaluation Council²⁷, whose members are: Japan Sake and Shochu Makers Association, Japanese Distilled Alcohol Makers Association, Brewers Association of Japan, Japan Spirits & Liqueurs Makers Association, Japan Wineries Association, National Alcohol Wholesalers Association, All Japan Liquor Merchants Association, and Japan Wines & Spirits Importers' Association.

The voluntary standards state that all advertisements and/or marketing materials for alcohol beverages must, first and foremost, include information stating that it is prohibited by law for a minor (which in Japan is a person under the age of 20) to consume alcohol. The information should be shown in accordance with requirements of the Notification No.9 of the National Tax Agency (*Requirements for Display of Information to Prevent Underage Alcohol Consumption*²⁸).

In addition, the voluntary standards require all advertisements and/or marketing materials to include information that the consumption of alcohol during pregnancy or breastfeeding can cause defects and health issues.

The above information must be featured in all advertisements found in the following media:

- Newspapers
- Magazines
- Television
- Radio
- Internet
- Fliers/posters/pamphlets for consumers

For advertisements in print media (i.e. newspapers, magazines, posters, pamphlets, etc.), the information must be clearly visible and legible.

For television commercials, the voluntary standards prescribe the minimum amount of time that the information must be displayed, which depends on the length of the commercial:

- For commercials of 15 seconds or shorter, the information must be displayed for a minimum of 1.5 seconds;
- For commercials between 15 and 30 seconds, the information must be displayed for a minimum of 1.75 seconds; and
- For commercials over 30 seconds, the information must be displayed for a minimum of 2 seconds.

In general, the warning can be aired at the end of the commercial, but if aired in the middle or beginning of the commercial, it must be aired for long enough and be visually large enough for the viewer to read and comprehend. Models/personalities under the age of 25 are not to be used for advertisements promoting alcohol beverages.

Advertisements for alcohol beverages can be aired on or during radio broadcasts and the length of information can be shortened if the advertisement itself is brief. For both television and radio commercials of alcohol beverages,

26 Tackling Harmful Alcohol Use Country note – Japan, OECD, <https://www.oecd.org/japan/Tackling-Harmful-Alcohol-Use-Japan-en.pdf>

27 酒類の広告審査委員会

28 未成年者の飲酒防止に関する表示基準

they can only be broadcasted during programmes whose targeted audience consists of at least 70% of listeners/viewers 20 years or older.

All forms of commercial advertisements must avoid use of phrases or words that could tempt minors into desiring the consumption of alcohol. Models, personalities, and/or fictional characters that appeal to an underage audience must not be used.

Advertising promoting alcohol beverages must also encourage responsible drinking which means that references to 'shots' or excessive drinking etc. must not be included in the advert. For television and video ads, the 'gulping' sound effect may not be used as it is deemed to promote a positive image of drinking alcohol and potentially cause distress for viewers with alcohol-dependency issues.

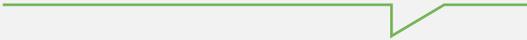
For further details on the format of the information (font size, advertisement size, etc.) refer to the Alcohol Beverages Advertisement Evaluation Council voluntary standards, listed in the 'Useful References and Information Sources' section at the end of this guide.

Geographical Indications (GI)

The EU and Japan completed negotiations on a free trade agreement (FTA) on 8 December 2017; at the time of writing (October 2018) it is awaiting ratification. The date of entry into force is thus still uncertain but is likely not to be before mid-2019 at the earliest. Once entered into force, the FTA will also provide for the application and registration of a list of EU Geographical Indications (GIs), including Irish Whiskey / *Uisce Beatha Eireannach* / Irish Whisky Spirit and Ireland Irish cream.

This would make it illegal to sell imitation produce under these names if they are not made in Ireland following the requisite production methods.

MODELS/PERSONALITIES UNDER THE AGE OF 25 ARE NOT TO BE USED FOR ADVERTISEMENTS PROMOTING ALCOHOL BEVERAGES.



4. Product Regulation and Standards

Local Standards for Whiskey, White Spirits, Craft Beers

According to Clause 15, Article 3 of the *Liquor Tax Act*, whisky is defined as:

- a. An alcohol distillate containing fermented and saccharified grains and water as base ingredients (the alcohol content during the distillation must be under 95%);
- b. An alcohol distillate from fermented and saccharified grains and water as base ingredients (the alcohol content during the distillation must be under 95%);
- c. Any alcohol beverage indicated in point a or b that contains added alcohol, spirits, flavouring/spices, and/or water (limited to those alcohol beverages in points a and b which have more than 10% of total amount of alcohol after alcohol, spirits and/or flavouring/spices are added).

Similarly, Clause 12, Article 3 of the *Liquor Tax Act* defines beer as:

- a. An alcohol beverage that contains fermented malt, hops and water as its base ingredients with an alcohol content under 20% (malt or hop ratio as a base ingredient must be at 100%);
- b. An alcohol beverage that contains fermented malt, hops, water, barley, rice, corn, fruit juice, flavourings, and specified secondary raw ingredients where the malt/hops ratio must be at 50%, with an alcohol content of under 20%.

Gin does not have its own definition. Instead, it falls into the 'spirits' category (Clause 20, Article 3 of the *Liquor Tax Act*). Spirits are defined as alcohol beverages that do not fall into any other categories specified in Clauses 7-19 of Article 3 and whose alcohol extract content is less than 2%.

Additives

Food additives in Japan are regulated by the MHLW. The MHLW 'Positive List' list of approved additives is smaller than the relevant international standard, the CODEX Alimentarius, and therefore restricts or requires alteration of products that otherwise export successfully elsewhere.

Labelling and Claims

When importing and selling liquor products, importers must label products in accordance with the labelling standards for processed foods of the Act for Standardisation and Proper Labelling of Agricultural and Forestry Products, and similar requirements for processed foods packed in containers under the Food Sanitation Act and the Liquor Business Association Act as indicated below.

The above Acts stipulate that the labels must have the following information:

- Product name;
- Type;
- Ingredients;
- Alcohol percentage;
- Content volume
- Expiration date;
- Storage method;
- Country of origin, and;
- Name and address of importer.

Further details for some of the requirements are provided below and refer also to Figure 1.

Product Name

The name of the product must be provided on the label in accordance with the Act for Standardisation and Proper Labelling of Agricultural and Forestry Products as well as the Food Sanitation Act (refer to Fig. 1).

Ingredients

The product's ingredients must be listed on the label in descending order of content, in accordance with the Act for Standardisation and Proper Labelling of Agricultural and Forestry Products and the Food Sanitation Act (refer to Fig. 1).

The names of all additives used must also be listed on the label in descending order of content in accordance with the Food Sanitation Act (refer to Fig. 1). The substance name and use of the following eight additives must be specified on the label: sweeteners; antioxidants; artificial colours, colouring substance/colouring coupler; preservatives; whiteners; thickeners / stabilisers / gelling agents / bulking agents; antifungal agents; and anti-mould agents.

There are no product-specific restrictions on the ingredients that may be used in Whiskey, White Spirits and Craft Beers.

Alcohol Percentage

The Liquor Business Association Act requires that the labelling of the alcohol level should be indicated using ‘%’ or ‘degrees’ and the *Liquor Tax Act* stipulates that the actual alcohol content of the product must be within ± 1 degree (or percent) of the amount indicated on the label.

Content Volume

When importing and selling liquor, the importer must weigh the product in accordance with the Measurement Act and indicate the weight clearly on the label, with the variation between the actual weight of the product and the figure indicated on the label falling within the

prescribed range.

According to the Liquor Business Association Act, the volume of products must be indicated in litres or millilitres.

Country of Origin

The Act for Standardisation and Proper Labelling of Agricultural and Forestry Products requires the country of origin to be indicated on the labels of imported foods. This law also requires the country of origin of certain ingredients also be included for alcohol beverages. The origin for the listed ingredients must either be identified in brackets on the list of ingredients or separately elsewhere on the label (refer to Fig.5).

Preservation Method and Expiration Date

Labels should clearly indicate how to preserve the flavour of unopened liquor until the best-by date (refer to Fig. 1). These preservation methods should be in accordance with the Act for Standardisation and Proper Labelling of Agricultural and Forestry Products, the Food Sanitation Act, and the Labelling Standards for the Manufacturing Process and Quality of Sake. For alcohol beverages that can be stored at room temperature, the preservation method can be omitted from the label. The Food Sanitation Act and Liquor Business Association Acts do not require a date of manufacture to be included in liquor labelling and labelling of expiration dates can often be omitted for liquor products. However, these laws have additional labelling standards for Japanese sake products which include type, manufacturing methods, and date of manufacture.

Nutritional Components and Calorie Count Labelling

The nutrition facts and calorie count are not required to be listed for alcohol products. However, any products that do list nutrition facts and calorie count must be in accordance with the nutritional labelling standards prescribed by the MHLW (refer to Fig. 5). The required information includes nutritional components, structural components (e.g. amino acids in protein), and types of components (e.g. fatty acids in fat). Components must be indicated in the following order and unit:

- 1) Calories in kcal or kilocalories;
- 2) Protein in g or grams;
- 3) Fat in g or grams;
- 4) Carbohydrate in g or grams;
- 5) Sodium; and
- 6) Other nutritional components to be indicated on labels.

Figure 1: Examples of Nutritional Components and Calorie Count Labelling



The MHLW also prescribes standards on the labelling of other nutritional components as well as guidance on information to be highlighted²⁹. Labels for specified health foods or those for special dietary uses must follow the respective standards and be screened for approval.

²⁹ Nutritional Components Guideline (http://www.caa.go.jp/foods/pdf/150331_GL-nutrition.pdf) (Japanese language only)

Organic Labelling

Under the Act on Standardisation and Proper Quality Labelling of Agricultural and Forestry Products, alcohol products that are exported to Japan as 'organic' and/or organically processed foods are acknowledged and recognised based on the certification that is obtained from the government in the country of origin. A certificate from the government of the country of origin certifying the alcohol product as 'organic' and/or organically processed must be attached with the alcohol product being imported into Japan.

GMO Labelling

Food and additives produced by genetically modified DNA techniques

The following liquor products containing ingredients taken from genetically modified crops require specific labelling in compliance with the quality labelling standards of the Law Concerning Standardisation and Proper Labelling of Agriculture and Forestry Products:

- Liquors made from the concerned crops (soya beans produced using genetically modified DNA techniques including green soya beans and soya bean sprouts, maize or corn, potatoes, rapeseed, and cotton seeds) or processed foods made from ingredients that contain residual genetically modified DNA or protein.
- Liquors made from soya beans with large amounts of oleic acid or processed foods made from soya beans. These items are classified as specific genetically modified crops, or crops whose composition and nutritional value are different from normal crops due to the use of genetically modified DNA technology. This labelling is only required if such soya beans are the main ingredient of the liquor product, meaning it is one of the top three ingredients and accounts for 5% or more of the total weight.

Labelling that designates a product as free from genetically modified crops or ingredients is generally prohibited unless a similar liquor product that uses

genetically modified crops or ingredients already exists.

Act against Unjustifiable Premiums and Misleading Representations

The *Act Against Unjustifiable Premiums and Misleading Representations* exists in Japan to allow an individual consumer to choose to purchase a product void of being misled or 'tricked' into believing a product is something that it actually is not.

This law, broadly speaking, protects consumers from the following three problems:

- a. Unjustified claims of product superiority or quality of excellence;
- b. Lucrative claims to gain competitiveness;
- c. Products with exorbitant or unreasonable premiums versus the value of the product.

When a product potentially falls under problem a or b of the list above, the Consumer Affairs Agency in cooperation with the Ministry of Economy, Trade and Industry will request that the manufacturing company provide documents to prove the validity of the claim.

Documents to prove the validity of the claim must be submitted to the source of the request within 15 days.

Similar to the Customs duties documents, all documentation may be provided in English although they must be accompanied by a Japanese translation.

5. Packaging Rules

Guidelines on the Manufacturing and Production of Containers for Food Products

On 10 July 2017, the MHLW released guidelines for safety assurance in the manufacture and use of food utensils, containers, and packaging (collectively abbreviated as UCP). Japan is driving regulatory reform in the direction of meeting US and EU standards in the usage of materials for UCP. Just as the US and the EU have created 'positive lists' of accepted/approved materials, Japan will soon have a similar list that all UCPs will need to align with.

Currently Japan has an extensive 'negative list' that consists of all packaging material substances that are prohibited for import into Japan. The National Tax Agency has not publicly released this list due to its size. **All exporters will need to send a complete list of all materials/substances used in the manufacturing of the container for the exported alcohol. The responsibility lies with the importer to provide this list to local Customs authorities. Customs authorities will inform the importer whether there are any materials/substances that cannot be approved for Customs Clearance. It is recommended to provide this list of packing materials/substances to the importer, well in advance to dispatching any shipments from the exporters' country of origin.**

Japan does not impose restrictions on the volume or packaging shape/size on beer, whisky, or gin. The most common size for beer cans in Japan is 350 millilitres for streamlined transportation.

ALL EXPORTERS WILL NEED TO SEND A COMPLETE LIST OF ALL MATERIALS/SUBSTANCES USED IN THE MANUFACTURING OF THE CONTAINER FOR THE EXPORTED ALCOHOL.

Recycling and Reuse Requirements

The two laws relevant in the context of this Guide are the Act on the Promotion of Sorted Garbage Collection and Recycling of Containers and Packaging, and the Act on the Promotion of Effective Utilisation of Resources.

Act on the Promotion of Sorted Garbage Collection and Recycling of Containers and Packaging

Under the *Act on the Promotion of Sorted Garbage Collection and Recycling of Containers and Packaging*³⁰, importers that sell products using containers and packaging subject to this law (including glass bottles, plastic bottles, paper containers and packaging, plastic containers and packaging, etc.) should contribute to minimising waste and encouraging recycling of these materials. However, small-scale enterprises below a certain size are not subject to the law. Companies that fall within this category are:

- Manufacturing business etc. that earn an annual revenue of JPY240,000,000 or less with an employee count of 20 employees or fewer.
- Companies providing services and other commercial business etc. that earn an annual revenue of JPY70,000,000 or less with an employee count of 5 employees or fewer.

Act on the Promotion of Effective Utilisation of Resources

On specified containers and packaging, the *Act on the Promotion of Effective Utilisation of Resources* requires labelling that promotes the proper disposal and sorting of materials. Imported products must meet the following conditions on identification labels:

- The imported product must state that it is in compliance with Japanese law regarding the materials and structure of containers and packaging (refer to

30 容器包装に係る分別収集及び再商品化の促進等に関する法律

packaging rules above) including, the use of imported product's trademark.

- There must be a Japanese translation on the container and packaging for the container of the import product (refer to Fig. 1).
- When using plastic containers, paper containers, plastic bottles for beverages, aluminium cans for beverages, or steel cans for beverages for liquor products, the identification marks shown in Fig. 2 must be labelled on one area or more of the container and packaging (also refer to Fig. 1).

Other Key Requirements Regarding Packaging Rules

Alcohol beverages are classified as a processed product, and as such are subject to the Product Liability Act . Under this law, manufacturers (including importers) are liable for damages caused to consumers as a result of product defects. The law makes importers liable for damages because consumers are generally unable to hold overseas manufacturers responsible for damages caused by their products. Therefore, care should be taken regarding the safety management of product contents, containers, and packaging.

Figure 2: Labels for Promoting Sorted Collection



USEFUL CONTACTS

1. Government and Regulatory Bodies (SUBJECT TO CHANGE)

Organisation Name	Contact (person, title, email, phone – where known)	Website
Consumer Affairs Agency	Mr. YUKIHIRO Noda, Consumer Safety Division Manager, Mr. HIROYUKI Kaneko, General Affairs Section Manager T: +81-3-3507-8800	http://www.caa.go.jp/en/
Delegation of the European Union to Japan	Mr. Viorel ISTICIOAIA-BUDURA, Ambassador of the European Union to Japan, Head of the Delegation T: +81-3-5422-6001 E: delegation-japan@eeas.europa.eu	https://eeas.europa.eu/delegations/japan_en
Embassy of Ireland, Japan	Mr. David MURPHY, Economic Counsellor T: +81-3-3263-0695	https://www.dfa.ie/irish-embassy/japan/
Sapporo Honorary Consulate of Ireland	Mr. KASAMA Seiji T: +81 11 783 0811	
Embassy of Japan in Ireland	Mrs. MIYOSHI Mari, Ambassador T: +353 1 202 8300 E: economic@ir.mofa.go.jp	http://www.ie.emb-japan.go.jp/itprtop_en/index.html
Ministry of Agriculture, Forestry and Fisheries	Food Industry Policy Division, General Food Policy Bureau T: +81-3-3502-8111 E: https://www.contactus.maff.go.jp/j/form/kanbo/koho/160807.html	http://www.maff.go.jp/e/index.html
Ministry of Economy, Trade and Industry	Mr. KEISUKE Sasaki, Director of Economic Policy Unit Mr. YOTETSU Hayashi, Director of Consumer Affairs, Distribution and Retail Industry Division Ms. Tomoko INA, Director of Consumer Affairs Policy Planning Office Mr. TAKESHI Takatsuno, Director of Recycling Promotion Division Mr. YUICHI Moronaga, Director of Intellectual Property Policy Office Mr. HIROSHI Miyashita, Director of Office for Intellectual Property Right Protection T: +81-3-3501-1511 E: https://www.meti.go.jp/honsho/comment_form/contact_us.html	http://www.meti.go.jp/english/index.html

Organisation Name	Contact (person, title, email, phone – where known)	Website
Japan Patent Office	Ms. NAOKO Munakata, Commissioner of Japan Patent Office Mr. KUNIHICO Shimano, Deputy Commissioner of Japan Patent Office T: +81-3-3581-1101 E: toushobako@jpo.go.jp	http://www.jpo.go.jp
Ministry of Environment	Office for Recycling Promotion Waste Management and Recycling Department, T: +81-3-3581-3351 E: https://www.env.go.jp/en/moemail/	http://www.env.go.jp/en/index.html
Ministry of Finance	Customs and Tariff Bureau T: +81-3-3581-4111 E: https://www2.mof.go.jp/enquete/en/index.php	http://www.mof.go.jp/english/index.htm
Ministry of Health, Labour and Welfare	Inspection and Safety Division Department of Food Safety Pharmaceutical and Food Safety Bureau Compliance and Narcotics Division Pharmaceutical and Food Safety Bureau T: +81-3-5253-1111 E: www-admin@mhlw.go.jp	http://www.mhlw.go.jp/english/
National Tax Agency	Liquor Tax and Industry Division Taxation Department National Tax Agency T: +81-3-3581-4161	https://www.nta.go.jp/foreign_language/index.htm

USEFUL CONTACTS

2. Local Irish Contacts

Organisation Name	Contact (person, title, email, phone – where known)	Website
IDA Ireland	Mr. Derek FITZGERALD, Director of Japan T: + 81-3-3262-7621 E: idatokyo@ida.ie	www.idaireland.com
Ireland Japan Association	Mr. Viorel ISTICIOAIA-BUDURA, Ambassador of the European Union to Japan, Head of the Delegation, T: +81-3-5422-6001 E: delegation-japan@eeas.europa.eu	www.facebook.com/irelandjapanassociation

3. Industry and Stakeholder Bodies

Organisation Name	Contact (person, title, email, phone – where known)	Website
European Business Council in Japan	Ms. Allison MURRAY, Executive Director T: +81-3-3263-6225 E: ebcam@gol.com	https://www.ebc-jp.com
	Mr. Bjorn KONGSTAD, Policy Director T: +81-3-3263-6224	
Ireland Japan Chamber of Commerce	Ms. Ayumi MIYANO T: +81 3 3263 8520 E: secretariat@ijcc.jp	www.ijcc.jp

4. Trade Promotion Boards

Organisation Name	Contact (person, title, email, phone – where known)	Website
Enterprise Ireland, Japan	Mr. Patrick O'RIORDAN, Director Japan T: +81 3 3263 0613 or +81 80 3472 9860 E: info@enterprise-ireland.com	https://www.enterprise-ireland.com/en/
	Mr. David WELLS, Senior Market Adviser T: +81 3 3263 0617 E: info@enterprise-ireland.com	

5. Local Spirits and Alcohol Associations

Organisation Name	Contact (person, title, email, phone – where known)	Website
Brewers Association of Japan	T: +81 3 3561 8386 E: info@brewers.or.jp	http://www.brewers.or.jp/
Japan Spirits & Liqueurs Makers Association	T: +81 3 6202 5728	http://www.yoshu.or.jp (Japanese language only)
Japan Wine and Spirits Importers' Association	Mr. MOTOICHI Yonei, Chairman T: +81 3 3503 6505	https://youshu-yunyu.org/english/

6. List of Exhibitions and Trade Fairs for Alcohol Beverages

Event Details	Date & Venue	Contact Details
<p>Izakaya Japan</p> <p>Izakaya Japan provides an opportunity for food and beverage suppliers/manufacturers to meet with Izakaya (Japanese-style pubs) companies that seek products to sell across Japan.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>Last hosted January 2018</p>	<p>Website: http://izakaya-japan.com (Japanese language only)</p> <p>Organised by the Izakaya Japan Secretariat</p> <p>Telephone: +81-3-3523-2722</p>
<p>Supermarket Trade Show</p> <p>Supermarket Trade Show offers an opportunity to be exposed to food distribution industry with a special focus on supermarkets.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>Last hosted February 2018 (Held annually)</p> <p>Makuhari Messe (Chiba Prefecture)</p>	<p>Website: http://www.smts.jp/en/index.html</p> <p>Organised by the New Supermarket Association of Japan</p> <p>Telephone: +81-3-5209-1056</p>
<p>Chichibu Whisky Festival</p> <p>The Chichibu Whisky festival is hosted by Chihibu Shrine (where the event is held) and Chichibu Local Products Center.</p> <p>Open to the public.</p>	<p>(Held annually)</p> <p>Chichibu Shrine (Saitama Prefecture)</p>	<p>Website: http://home.att.ne.jp/alpha/caskandstill/whisky_matsuri/wm_top.html (Japanese language only)</p> <p>Organised by Bar Cask and Still</p> <p>Telephone: +81-48-251-9366</p>
<p>Hoteles, Catarex, Japan Food Service Equipment Show (HCJ)</p> <p>HCJ is highly established in the Japanese hospitality industry, and is a must-visit for hospitality professionals.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>Tokyo Big Sight Exhibition Centre, East Hall(Tokyo)</p>	<p>Website: https://www.jma.or.jp/hcj/en/</p> <p>Organised by the Japan Management Association</p> <p>Email: hcj@jma.or.jp</p> <p>Telephone: +81-3-3434-1377</p>
<p>Private Label Trade Show Japan</p> <p>The biggest Private Label and OEM products show in Japan. Exhibitors include food and non-food companies.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>Tokyo Big Sight Exhibition Centre, East Hall 4 (Tokyo)</p>	<p>Website: https://www.jma.or.jp/pb/en/index.html</p> <p>Organised by the Japan Management Association</p> <p>Email: pb@jma.or.jp</p> <p>Telephone: +81-3-3434-1377</p>

Event Details	Date & Venue	Contact Details
<p>FOODEX</p> <p>FOODEX is the premiere annual food and beverages related trade show in Japan and is one of the longest running. It is widely attended by international traders and sellers</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>Makuhari Messe (Chiba Prefecture)</p>	<p>Website: https://www.jma.or.jp/foodex/en/</p> <p>Organised by Japan Management Association (JMA)</p> <p>Telephone: +81-3-3434-3453</p>
<p>FABEX (The World Food and Beverage Great Expo)</p> <p>FABEX is one of the largest trade fairs in Japan, encompassing a range of commercial food products, equipment, containers and packaging.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>Tokyo Big Sight Exhibition Centre, East Hall 1-4 (Tokyo)</p>	<p>Website: http://en.fabex.jp</p> <p>Organised by the Japan Food Journal</p>
<p>Wine and Gourmet Japan</p> <p>Wine & Gourmet Japan is an integrated trade fair which focuses on Wine, Beer, Spirits and Gourmet Food.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>Tokyo Big Sight Exhibition Centre (Tokyo)</p>	<p>Website: https://www.wineandgourmetjapan.com</p> <p>Organised by Koelnmesse, in partnership with The Japan Food Journal</p> <p>Telephone: +81-3-5793-7770</p>
<p>World Beer and Gourmet Festival</p> <p>World Beer and Gourmet Festival is an event to provide the Japanese public with meat dishes and beer from around the world.</p> <p>Open to the public.</p>	<p>(Held annually)</p> <p>Former Hiroshima Municipal Baseball Stadium Site (Hiroshima Prefecture)</p>	<p>Website: http://www.htv.jp/beerstadium/index.html</p> <p>(Japanese language only)</p> <p>Organised by the Hiroshima Prefecture, Hiroshima Tourism Association</p> <p>Telephone: +81-82-249-1218</p>
<p>BeerFes</p> <p>BeerFes is an event that allows the Japanese public to enjoy beer from around the world in several locations across Japan (all regional events are not held at the same date/time).</p> <p>Open to the public.</p>	<p>(Held annually)</p> <p>Ebisu Garden Hall (Tokyo)</p> <hr/> <p>Last hosted September 2018 (Held annually)</p> <p>Osanbashi Hall (Kanagawa Prefecture)</p> <hr/> <p>Held annually)</p> <p>MyDome Osaka (Osaka Prefecture)</p> <hr/> <p>(Held annually)</p> <p>Nagoya Congress Centre (Aichi Prefecture)</p> <hr/> <p>(Held annually)</p> <p>(Okinawa Prefecture)</p>	<p>Website:</p> <p>http://www.beertaster.org/index-e.html</p> <p>Organised by Craft Beer Association</p> <p>Email: info@craftbeerassociation.jp</p> <p>Telephone: +81-798-70-7171</p>

EXPORTING BEVERAGES TO ASIA: JAPAN

Event Details	Date & Venue	Contact Details
<p>Gaishoku Business Week Tokyo</p> <p>Gaishoku Business Week is Japan's largest trade show, specialising in Restaurant & Food Service.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>Tokyo Big Sight Exhibition Centre (Tokyo)</p>	<p>Website: http://gaishokubusiness.jp/english/</p> <p>Organised by Tradeshow Organisers Inc.</p> <p>Email: gaishokubizweek@trso.co.jp</p>
<p>Gaishoku Business Week Osaka</p> <p>Gaishoku Business Week is Japan's largest trade show, specialising in Restaurant & Food Service.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>INTEX Osaka (Osaka Prefecture)</p>	<p>Website: http://whiskyfestival.jp (Japanese language only)</p> <p>Organised by Japan Whisky Research Center</p> <p>Telephone: +81-3-6277-4103</p>
<p>Whisky Festival</p> <p>The Whisky Festival brings a variety of whisky distilleries, importers, and producers to taste a variety of whiskies with food and entertainment, from around the world.</p> <p>Open to the public.</p>	<p>2019 details have not been released yet. (Held annually)</p> <p>BELLSALLE Takadanobaba (Tokyo)</p> <p>(Held annually)</p> <p>OMM (Osaka Prefecture)</p>	<p>Website: http://wbc.nagawa.info (Japanese language only)</p> <p>Organised by Whisky and Beer Camp Executive Committee</p> <p>Email: info@nagawa.info</p> <p>Telephone: +81-268-68-0006</p>
<p>Whisky & Beer Camp</p> <p>An event to enjoy various beers from around the world in between skiing and camping.</p> <p>Open to the public.</p>	<p>Held annually</p>	<p>Website: http://whiskyfestival.jp (Japanese language only)</p> <p>Organised by the Japan Whisky Research Center</p> <p>Telephone: +81-3-6277-4103</p>
<p>Kiyosato Whisky Festival</p> <p>A whisky festival that provides a variety of whiskies from around the world with live entertainment in the area called Moeginomura.</p> <p>Open to the public.</p>	<p>(Held annually)</p>	<p>Website: http://www.sanyo-bussan.co.jp/item/whisky/malt.html (Japanese language only)</p> <p>Organised by Sanyo Bussan</p> <p>Telephone: +81-6-6352-1121</p>
<p>Modern Malt Whisky Market</p> <p>An expo to match restaurants and liquor vendors/suppliers with whisky manufacturers from around the world.</p> <p>Traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p>	<p>Website: http://www.sanyo-bussan.co.jp/item/whisky/malt.html (Japanese language only)</p> <p>Organised by Sanyo Bussan</p> <p>Telephone: +81-6-6352-1121</p>

Event Details	Date & Venue	Contact Details
<p>Tokyo International Bar Show, Whisky Expo Japan</p> <p>Professionals in the industries of cocktails, whisky, various spirits, tools, and glassware will gather to share knowledge of bars, alcohol, cocktails, whisky and more.</p> <p>Open to the public.</p>	<p>(Held annually)</p>	<p>Website: http://tokyobarshow.com/english.html</p> <p>Organised by Cocktail Culture Foundation (Supported by the Ministry of Agriculture, Forestry and Fisheries, Ministry of Economy, Trade and Industry, Scottish Development International, Japan Wine and Spirits Importers Association)</p> <p>Telephone: +81-6-6352-1121</p>
<p>Gin-Posium Japan</p> <p>Gin-Posium Japan is an event held by the Japan Gin Association to promote and offer gin products to the Japanese public.</p> <p>Open to the public.</p>	<p>(Held annually)</p>	<p>Website: http://cocktail.or.jp/jga.html (Japanese language only)</p> <p>Organised by Japan Gin Association</p>
<p>Kakuyasu Dexpo</p> <p>Kakuyasu Dexpo is an expo to offer restaurants, food/beverage suppliers to display their products to the public to boost mail order/online purchase sales.</p> <p>Open to the public.</p>	<p>(Held annually)</p>	<p>Website: http://www.kakuyasu.co.jp/dexpo/index.html (Japanese language only)</p> <p>Organised by Kakuyasu</p>

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- Japan External Trade Organisation (JETRO) (March 2017) [Import procedures for alcohol beverages](#) (Japanese language only)
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- National Tax Agency [Liquor Report March 2017](#) (Japanese language only)
- National Tax Agency (June 2017) [Guide for the application for wholesale dealer's license for all alcohol beverages](#) (Japanese language only)
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- Ministry of Health, Labour and Welfare (28 December 1959) [Standards and Criteria for Food and Additives](#) (Japanese language only)
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- Ministry of Agriculture, Forestry and Fisheries (1950) [Act on Standardisation and Proper Quality Labelling of Agricultural and Forestry Products](#)
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- Cabinet Secretariat (1962) [Act against Unjustifiable Premiums and Misleading Representations](#)
- Ministry of Economy, Trade and Industry (1993) [Unfair Competition Prevention Act](#)
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- The Japan Food Chemical Research Foundation (6 October, 2016) [List of Designated Additives](#) (ordered by a sequence number and contain Japanese terms)
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- The Japan Food Chemical Research Foundation (26 June, 2017) [List of Food Additive Usage Methods/Restrictions](#) (Japanese language only)
- Ministry of Health, Labour and Welfare (10 July, 2017) [Guideline for safety assurance in the manufacture etc. of food utensils, containers and packaging](#)
- Alcohol Beverages Marketing/Advertisement Evaluation Committee (1 July, 2016) [Voluntary Standards for the Advertising and Promoting of Alcohol Beverages](#) (Japanese language only)





SOUTH KOREA MARKET

SOUTH KOREA MARKET



SOUTH KOREA

Seoul
 100,210 km²
 51.18 million³²
 Korean
 Korean Won (KRW)
 1 KRW=0.00075 EUR³⁴
 USD 1.411 trillion
 2.8%
 USD 27,538.8³⁸
 113.6
 High Income
 51/180
 24/160
 4/190



Capital
Geographic Size
Population (2016)
Official Language/s
Currency
Exchange Rate (Aug 2018)
GDP (2016)³⁶
GDP Growth (2016)³⁷
GNI per capita (2016)
Consumer Price Index (Jan 2018)⁴⁰
Income Category⁴¹
Corruption Perceptions Index Ranking (2017)⁴²
Logistics Performance Index Ranking (2017)⁴³
Ease of Doing Business Ranking (2017)⁴⁴



IRELAND

Dublin
 84,421 km²
 5.01 million³³
 Irish Gaelic, English
 Euro (EUR)
 1 EUR =1,327.37 KRW³⁵
 USD 304.8 billion
 5.1%
 USD 52,560³⁹
 104.1
 High Income
 19/180
 18/160
 17/190

³²The World Factbook, CIA, Korea

³³The World Factbook, CIA, Ireland

³⁴XE Exchange Rate: KRW to EUR (Aug 2018)

³⁵XE Exchange Rate: EUR to KRW (Aug 2018)

³⁶The World Bank Data 2016

³⁷The World Bank Data 2016

³⁸The World Bank, Korea

³⁹The World Bank, Ireland

⁴⁰The OECD Stats

⁴¹World Bank Country Categorisation by Income: high-income countries are those with a GNI per capita of USD 12,236 or more.

⁴²Transparency International, Corruption

Perceptions Ranking 2017

⁴³The World Bank, Logistics Performance Index Rankings 2016

⁴⁴The World Bank, Doing Business Rankings 2017

GLOSSARY OF TERMS

'BAC'	➤ Blood Alcohol Concentration	'KIPO'	➤ Korean Industrial Property Office
'CIF Value'	➤ Cost, Insurance and Freight Value	'KIPRIS'	➤ Korea Industry Property Rights Information Service
'DMB'	➤ Digital Multimedia Broadcasting	'KITA'	➤ The Korea International Trade Association
'DNA'	➤ Deoxyribonucleic acid, signifying hereditary genetic characteristics	'KOTRA'	➤ Korean Trade Promotion Agency
'EUR'	➤ Euro	'KRW'	➤ Korean Republic Won
'FDS'	➤ Food and Drug Safety	'MFDS'	➤ The Ministry of Food and Drug Safety
'FIE'	➤ Foreign Invested Enterprise	'MOHW'	➤ The Ministry of Health and Welfare
'Food'	➤ All types of food and beverages including alcohol	'MOTIE'	➤ The Ministry of Trade, Industry, and Energy
'FSA'	➤ Food Sanitation Act	'NFSI'	➤ The National Sanitation Foundation International
'FTA'	➤ Free Trade Agreement	'NTS'	➤ The National Tax Service
'GDP'	➤ Gross Domestic Product	'OECD'	➤ Organisation for Economic Co-operation and Development
'GI'	➤ Geographical Indication	'OEM'	➤ Original Equipment Manufacturer
'GMO'	➤ Genetically Modified Organism	'OMF'	➤ Overseas Manufacturing Facility
'GNI'	➤ Gross National Income	'OPERA'	➤ Observation & Prediction by Endless Risk Analysis
'HACCP'	➤ Hazard Analysis Critical Control Point	'Packaging and Container Code'	➤ Standards and Specifications for Food Utensils, Containers and Packages under MFDS
'HSK'	➤ Harmonised Commodity Description and Coding System of Korea	'PE'	➤ Polyethylene
'IPR'	➤ Intellectual Property Rights	'PET'	➤ Polyethylene Terephthalate
'IPTV'	➤ Internet Protocol Television	'PPE'	➤ Polyphenylene Ether
'ISO'	➤ International Organisation for Standardisation	'PVC'	➤ Polyvinyl Chloride
'KAHAS'	➤ The Korean Agency of HACCP Accreditation and Service	'VAT'	➤ Value-added Tax
'KCS'	➤ The Korea Customs Service		

MARKET OVERVIEW

South Korea has a long and deep relationship with the production and consumption of alcohol beverages. Small-scale production of alcohol dates back over 1000 years when the country began being exposed to foreign influences. Traditionally consuming alcohol is a deeply-rooted aspect of South Korean culture that coincides with the celebration of all public holidays and the changing of the seasons which, for South Korea's not insubstantial farming community, includes the shifting in farming activities.

Today, the production and consumption of alcohol beverages is more commercial and pervasive such that South Korea has one of the highest per capita alcohol consumption levels in the OECD and the highest in East Asia. Notwithstanding this, South Koreans also have clear rules of etiquette when it comes to pouring and receiving beverages generally, and especially alcohol beverages. An inherently hierarchical society, this South Korea etiquette reflects the public and private status of individuals and groups in the various professional and social settings in which alcohol beverages are consumed.

Over the years, South Korean consumers' preference on alcohol beverages has been rapidly transformed. South Korea was known for 'binge drinking', but the trend of alcohol consumption has changed into 'drinking less but more often'. The primary consumer group has also shifted from a male-middle aged group to a younger group including female consumers. Alcohol beverage products have also become more diversified, such as fruit-flavoured light drinks rather than hard liquor (e.g. the Japanese fruity alcohol drink, Horoyoi is very popular and contains only 3% alcohol).

Ireland enjoys a positive image in the hearts and minds of South Koreans. The two countries are seen to share a number of things in common when it comes to their diverse urban and rural landscapes. The cities are lively, while the countryside is open and stunning with seasonal scenery.

Soju is South Korea's most famous and popular alcohol beverage. Mostly sold in mid-size green colour glass

bottles, Soju is seen in virtually every food and drink establishment and at almost every single private and professional social occasion. It is clear, colourless and usually consumed neat with an alcohol content of anything between 15% and more than 50%. Traditionally made from rice, wheat or barley, today Soju is also made from potatoes, sweet potatoes and even tapioca. Other traditional drinks are enjoying increased popularity in South Korea, such as Makgeolli (fermented rice wine), Bokbunja (blackberry desert wine), and Cheongju (another fermented rice wine). Many of these are low-alcohol beverages which in recent years have enjoyed a surge in demand relative to the high-alcohol beverages. Korean food is paired with South Korean alcohol (e.g. Soju and Galbi – one of the more famous South Korean BBQ dishes), Makgeolli & Pajeon (South Korean scallion pancake), or Beer and Chimaek (South Korean-styled Fried Chicken). The pairing of Beer and Chimaek has been popular domestically and internationally including in particular with consumers in China/Southern Asia where the 'Korean-Wave' has been pervasive in recent years. The 'Korean Wave' is a collective term used to refer to the skyrocketing growth of South Korean culture and popular culture including everything from movies to drama to online games, South Korean cuisine etc. both inside and outside South Korea

The EU-South Korea Free Trade Agreement (EUKFTA) entered into force on 1 July 2011, marking a new beginning of EU-Korea bilateral trade relations. It was also the EU's first trade deal with an Asian country, and the EU has since become South Korea's biggest Foreign Direct Investor. The EUKFTA protects Geographical Indications (GI) including approximately 100 geographical indications for wines, spirits and beer that originate from the EU including 'Irish Whiskey'.

South Korea is the fourth largest economy in Asia, and fifteenth largest in the world, following four decades of substantial economic growth. The market is ranked as a High-Income country by the World Bank and has affluent - and demanding - consumer groups. South Korean consumers are becoming increasingly known for their

EXPORTING BEVERAGES TO ASIA: SOUTH KOREA

new ideas and trends regarding Food & Beverages as well as a range of consumer goods and services including electronics, passenger transport and fashion.

While previously quite proud of relatively more affordable domestic products and services (and somewhat biased against foreign products), South Korean consumers today are becoming increasingly adventurous with a penchant for high-quality luxury and well-known international brands. This has coincided with the 'Korean Wave' mentioned above.

This growing South Korean consumer sophistication can be seen in the alcohol beverages space by the increasing popularity of imported alcohol beverages. Premium craft beer being a good case in point. Craft Beer has benefitted from the growth in the domestic beer market in recent years, the growth is the result of increased demand for value (following the local economic downturn), and increased consumer preference for low-alcohol beverages due to health reasons. Conversely there has been increased consumer demand for alcohol beverages of diversified taste and quality, and female South Koreans have also been consuming larger volumes of low-alcohol beverages, including beer.

Young South Koreans enjoy spending time and money on themselves. In this sense, young consumers increasingly prefer low volume (350ml) and lower alcohol beverages with customized taste. Generally South Koreans prefer consuming less alcohol during evening meals (typically high-alcohol beverages e.g. Soju) and consuming more after dinner. This tends to be low-alcohol beverages consumed in a more leisurely manner. In this context, it is not surprising that the most popular Irish alcohol beverage in South Korea in 2016 and 2017 was beer.

Shopping in South Korea is very popular among South Koreans as well as tourists from Southeast Asia, China, and Japan. South Korea is famous for fashion, beauty, skincare, and electronics. South Korea has a high level of urbanisation with a high population density and easy access to sophisticated retail experiences. South Korea has a very high credit card usage rate, which encourages

spending among tourists. Tourists are eligible for a tax refund if they spend KRW30,000 or more on purchases, including alcohol beverages.

Procedures for importing products into South Korea are relatively clear cut, however the requirements are mostly in the Korean language which, for most Irish exporters will trigger the need for assistance from local networks of export-import agents, distributors, and Customs advisory service providers. Whilst the requirement to have a South Korean partner was removed relatively recently, the vast majority of new-to-market exporters from Ireland and elsewhere continue to choose to enter the South Korean market with a local partner. South Korean partners are generally very import savvy given the country's trade-dependent economy and reliance on small to medium size (SME) companies. Irish exporters can contact the Irish Embassy (based in Seoul) for guidance on the procedures and requirements.

For these reasons and more, South Korea ranks number 4 in the World Bank's 'Ease of Doing Business Ranking' for 2017. This is however somewhat off-set by South Korea's extraordinary drop in rank to 51 out of 100 in Transparency International's 'Corruption Perception Index' for 2017. Irish exporters should not interpret this as reflective of an increase in the challenges in dealing with government officials in South Korea (e.g. corruption by Customs, Quarantine, National Police, etc.). Rather it should be understood in the context of the scandal committed by the immediate past South Korean President Ms. Geun Hye Park and a close friend which led to the President's impeachment, triggering a National Election in May 2017 and the appointment of the current South Korean President Mr. Jae-in Moon.



Beer was the most popular Irish alcohol beverage in South Korea in 2016 and 2017.

1. Alcohol Consumption

Overall, the alcohol beverage market in South Korea enjoys positive growth rates for both premium international brands and traditional Korean alcohol beverages. Even though there was no increase in the consumption level between the two periods of 2003-2005 and 2008-2010, South Korea is still the country that drinks the most per capita in Asia, with South Koreans over the age of 15 drinking 10.9 litres of alcohol a year, according to the World Health Organisation (WHO) Global Data Repository 2015.

South Korea has seen a surge in demand for liquor with low alcohol by volume. According to a 2016 survey by the Ministry of Food & Drug Safety with 2,000 people aged 15 and older, South Koreans are consuming more fruity versions of the traditional drinks (soju) and other low-

alcohol drinks (13-14% alcohol content), while reducing excessive consumption of high-alcohol drinks.

Despite this trend for lighter drinks, the South Korean market remains robust in terms of consumption per capita. The drinking culture of South Koreans is deeply embedded in the national culture, and the South Korean economy showed signs of continued economic recovery throughout 2017, which continues to fuel alcohol beverage consumption among the average alcohol drinkers.



South Koreans are consuming more fruity versions of the traditional drinks (soju)

Alcohol Facts Box – South Korea		
Pattern of Drinking Score ⁴⁶	This composite measure of drinking patterns reflects how people drink instead of how much they drink, on a scale of 1 (least risky pattern of drinking) to 5 (most risky pattern of drinking). Attributes used to create this indicator include quantity of alcohol consumed per occasion, festive drinking, the proportion of drinking events when getting drunk, the proportion of drinkers who drink daily, drinking with meals, and drinking in public places.	3 (medium risk)
Alcohol Consumption	Proportion of alcohol beverages in 2010 ⁴⁷	Spirits: 3% Others: 70% Beer: 25% Wine: 2%
	Total alcohol consumption per capita (15+yo) in 2015 ⁴⁸	10.9 litres
	Change in consumption volume (2003-2005 and 2008-2010) ⁴⁹	0.0 litres (from 12.3 litres to 12.3 litres)
	Total alcohol per capita, drinkers only (Males) in 2010 ⁵⁰	37.6 litres
	Total alcohol per capita, drinkers only (Females) in 2010 ⁵¹	11.5 litres
Prevalence of heavy drinking ⁵³	Total alcohol per capita, drinkers only (Both sexes) in 2010 ⁵²	27.5 litres
	Prevalence among both sexes over 15 in 2010, % of total population	6.0%
	Prevalence among both sexes over 15 in 2010, % of total drinkers	13.4%
	Prevalence of abstainers (people who have not drunk in the last 12 months) among both sexes over 15 in 2010, % of total population	55.2%

⁴⁶The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, South Korea

⁴⁷The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, South Korea

⁴⁸The World Health Organisation, Global Health Observatory Data Repository, 2015

⁴⁹The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, South Korea

⁵⁰The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, South Korea

⁵¹The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, South Korea

⁵²The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, South Korea

⁵³The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, South Korea

2. Alcohol Policy

In South Korea, the national legal minimum age for on-premise and off-premise sales of alcohol beverages (e.g. beer, wine, and spirits) is 19, one of the highest across the OECD and Key Partner countries. There are no restrictions for on- or off-premise sales of alcohol beverages regarding hours, days, places, specific events, or intoxicated persons. Alcohol beverages must not be sold online, except for South Korean traditional liquors.

The national maximum legal blood alcohol concentration (BAC) when driving a vehicle is 0.05% in general, young, or professional drivers. This is also considered among the least restrictive among the OECD and Key Partner countries (the majority of countries set the BAC maximum level of 0.02%).

There are legally binding regulations on liquor advertising. Restrictions for alcohol advertising mainly apply to television, radio, cinema, and metro (i.e. the underground). According to the National Health Promotion Act and the Enforcement Decree of the National Health Promotion Act, advertisements about alcohol that present a detriment to public health, social order, and youth well-being cannot be placed. The characters in the advertisements must be over 19 years old and should not attempt to portray youth. This age limit was expected to be raised in 2015. However, the proposed amendment did not proceed further. Often, restrictions on alcohol marketing practices are compared with those on smoking. The government was sometimes criticised for taking a strong stance regarding tobacco but not doing as much when it comes to alcohol companies' marketing activities, which features young and popular stars, for example.

Overall, alcohol advertisements should not offer any kind of sweepstakes or promotions. Those licensed under the Liquor Tax Act for manufacturing one per cent or higher alcohol content beverages, or those who import and distribute one percent or higher alcohol content beverages must provide a statement on the beverage containers that excessive drinking is harmful to health and drinking during pregnancy may harm the health of a foetus.

Regarding the impacts of alcohol on public health, in 2006, the Ministry of Health & Welfare introduced the Blue Bird Plan, the first national alcohol action plan in South Korea. It was later refreshed in 2010. The main purposes of the Plan were as follows;

- To raise public awareness of the serious harm caused by alcohol
- To promote a healthy lifestyle and minimise alcohol harm to public health
- To reduce the prevalence of alcohol use and alcohol-related incidents
- To decrease dangerous drinking behaviour of high-risk groups
- To enhance alcohol-related medical and rehabilitation services
- To create public-private social safety environment against alcohol harm.

However, the Plan did not gain much traction. Currently, the Ministry is working on a new Plan for 2020 in order to reduce juveniles' exposure to alcohol beverage advertisements. The details and timeline of the Plan have not been announced.

3. Trade Overview

Since the signing of the EU-South Korea Free Trade Agreement (FTA) in 2011, exporting into South Korea has become relatively straightforward and consequently trade has surged, increasing by 59% between 2010 and 2016, according to the European Commission. The EU had an overall trade in goods deficit with South Korea of EUR11.6 billion in 2010 and the FTA is attributed with helping to generate a surplus of EUR3.1 billion by 2016.⁵⁴

South Korea was the EU's ninth largest trading partner in 2016, with EU exports worth EUR44.1 billion. It was the 13th largest destination for the EU's agri food exports with exports worth EUR2,628 million. The trade value of EU exports of spirits and liqueurs to South Korea was EUR154 million in 2016 (i.e. 6.0% of total EU agri-food exports to South Korea).

The most popular Irish alcohol beverage in South Korea in 2016 and 2017 was beer, followed by whiskey and liqueurs. Overall, Irish alcohol beverage exports to South Korea remained constant in 2016 and 2017 at a value of EUR2 million; while the export values for beer increased, the export values of liqueurs and whiskey decreased.

4. Doing Business in South Korea – Important to Know

Protect your intellectual property rights (IPR):

New to market exporters should ensure that their IPR are properly protected and are registered in the name of the (Irish) company itself (i.e. not its agent or distributor) with the South Korean Industrial Property Office (KIPO) before signing up to supply contracts with South Korean companies and entry to the market. This is very important as the patent and trade mark registration system is operated essentially on a first come basis, and failure to register your patents and trademarks in your company's name first could have negative consequences should any disputes arise with other companies in South Korea. This can be done via the South Korea Industry Property Rights Information Service website (KIPRIS) but it needs to be done in Korean. Information about local lawyers who can assist with IPR and other legal and business advice can be obtained from Enterprise Ireland.

Bribery and corruption:

Despite efforts in recent years to modernise and clean up Korea's business environment, South Korea continues to rank relatively badly among developed nations for bribery and corruption (ranking 51 out of 180 countries in Transparency International's Perception of Corruption Index in 2017). Enterprise Ireland warns⁵⁵ that public sector corruption, including bribery of public officials, remains a challenge for foreign firms operating in South Korea. South Korea has passed the Anti-Corruption Act, which requires high-ranking officials to disclose their assets and report gifts they receive from foreign entities. The Public Service Ethics Act 1993 (Article 15) also regulates gifts and hospitality offered to civil servants; however, the regulations are sometimes ignored.

⁵⁴ European Commission (https://ec.europa.eu/agriculture/sites/agriculture/files/trade-analysis/statistics/outside-eu/countries/agrifood-south-korea_en.pdf)

⁵⁵ <https://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/AccessSouthKorea.pdf>

5. Options for Irish Exporters to South Korea

Visit the market regularly:

Direct interpersonal interactions are universally important regardless of cultural context but just like in Japan, they are particularly so in South Korea. Whether it is part of your initial market assessment or part of your regular marketing and business development activities, regular market visits are essential in establishing, building and sustaining commercial (and personal) relationships. The exact frequency of the regularity is less important than demonstrating the willingness to do it and following through by doing so (within the financial means of the Irish exporter). South Korean businesses and businesspeople value long-term relationships built on trust, mutuality and built over time.

There are three main options for Irish exporters wishing to enter the South Korean market:

- Export directly from Ireland;
- Appoint a local representative (e.g. agent or distributor);
- Establish a business presence in South Korea (e.g. set up a company, branch, sales office).

There are, as noted previously, pros and cons for each option and which option is the most appropriate will vary depending, among other things, on the individual exporters' circumstances, business strategy, previous export experience and knowledge of the local market and Korean language.

Until relatively recently all those wishing to do business in South Korea were required by law to have a South Korean partner. This changed in 2010 as part of the Government's efforts to improve and simplify the business environment and to encourage foreign investors. As a result, it is now comparatively easy to start a business in South Korea, which ranks 9th out of 190 countries in 2017 (Ireland is ranked 8th). The EU-South Korea FTA has also made it easier for EU businesses to set up in South Korea as a Foreign Invested Enterprise (FIE).

Nonetheless, while it is considered relatively easy to start a business in South Korea, it is resource intensive and can be daunting especially for those new to the market or who do not speak the language. Communication with officials, for example, should be normally done in Korean since the government does not provide English administrative services in most cases, and likewise most official forms and documents need to be submitted in Korean.

Working with a Local Partner

The vast majority of new-to-market exporters from Ireland and elsewhere continue to choose to enter the South Korean market with a local South Korean partner. There are many reasons why exporters chose to do so, among others:

- Exporting directly to South Korea can be extremely time and resource intensive; it also means that the exporter is directly responsible for dealing with all official import and distribution administration and ensuring compliance with local laws and the penalties for violations can be significant.
- Food safety and import regulations are treated extremely seriously and are very detailed. They are also frequently updated (often with little or no grace period). Therefore, it is critical that businesses stay well informed about the regulations on import administration, product standards and food safety. This too can be time-consuming and complicated for the uninitiated, particularly for those who do not speak Korean.
- While English is increasingly widely understood in South Korea, it is not used officially by the government agencies and control authorities. For example, while the South Korean government and regulatory bodies are taking steps to provide more information and official documents in English, some import documentation and related submissions still need to be made in the Korean language (including Korean translations if necessary to accompany copies of original key documents that have been issued in English by authorities outside of South Korea).
- Similarly, all product labels on imported products must be in Korean.

- Local in-market support can also help exporters to manage the day-to-day, often very demanding, South Korean customer-service expectations and the heavy investment required in networking and nurturing of on-going business relations. This is essential in South Korea, where business culture requires on-going nurturing of business relationships and values strong personal ties and long-term business relationships.

Investing sufficient time in identifying potential partners (be it as an agent or a distributor) and getting to know them face to face before taking a decision to collaborate is absolutely essential. As well as doing your own desk research, seek recommendations from others who have experience in working with South Korean partners. It is also recommended to consider attending Trade Fairs and exhibitions, which are very popular in South Korea and a good way to make initial contact with potential partners and distributors. Irish businesses seeking partners in South Korea can obtain useful contacts and advice from Bord Bia's Regional Office in Singapore, as well as from Enterprise Ireland's South Korea office in Seoul.

Establishing a Presence in South Korea

For those Irish exporters who do decide to establish a direct presence in South Korea various options are available; including to set up a wholly owned foreign enterprise (or subsidiary), a branch office of a foreign company, or a liaison or representative office. Legal and taxation obligations vary depending on the business structure chosen.

The choice dictates not only how the business is established and treated in respect of commercial laws, practices and taxation, but also what business activities it may perform. For example, the activities that can be undertaken by a liaison office are limited and strictly prescribed. Unlike a branch of a foreign company, a liaison office cannot perform general business or revenue generating activities such as direct sales or maintaining stocks of products for sale; instead, its activities are restricted to auxiliary and support functions, such as market research and advertising.

The Korean Trade Promotion Agency (KOTRA)⁵⁶ and InvestKorea both provide useful information in English for those considering investing in South Korea including further details about the options available and respective capital and registration requirements and obligations. In addition, KOTRA has a representative office in Dublin.

Additional Requirements for South Korean Companies Intending Importing and Selling Alcohol Products

As well as filing an application for business registration, Irish exporters who do decide to set up a company or sales unit in South Korea in order to import, distribute or sell alcohol products locally will also need to obtain some additional permissions prior to commencing activity. In particular, they will require:

- **Trade Business Registration:** a trader requires a 'trader identification number' from the Ministry of Trade, Industry & Energy. An application form needs to be submitted to the Korea International Trade Association (KITA) together with a copy of the Certificate of Business Registration and the incorporation seal;
- **A license from the Tax Office to engage in an alcohol importing and sales business (including brokerage, entertainment business):** a license is required for each sales outlet from the head of the competent tax office. To obtain a license, applicants must submit the following documents (in Korean): a completed application for licensing of exporting/importing alcohol together with a Certificate of Business Registration, Trader Identification Number issued by the Ministry of Trade, Industry and Energy, a contract for lease of storage facility of 22m² or more. In the case of importers of spirits, additional documentary requirements concerning facilities and equipment apply as set out in the *Enforcement Decree of Liquor Tax Act*⁵⁷;
- **A license from the Ministry of Food & Drug Safety (MFDS) to conduct the business of importing and selling imported food (including alcohol beverages):** A business entity that intends to import and/or sell imported food (including alcohol beverages) needs to submit an application form to MFDS together with a number of other specified

⁵⁶Website: KOTRA

⁵⁷Korea Taxation: This document includes the chapter on Liquor Tax Act: <http://www.nts.go.kr/eng/data/KOREANTAXATION2012.pdf>

documents as applicable (all in Korean language). The exact documents to be submitted will vary depending on circumstances and therefore should be confirmed with MFDS. They may include, for example: a contract for lease of a storage facility if storage facility is leased; details of facilities in the place of business and the layout thereof if the business is storing imported food; documents concerning license or permission for bonded warehouses and storage if the business of storing imported food, etc. in bonded warehouses; and a permit to use State property (if the person intends to engage in the business of importing and selling imported food, etc. at facilities within urban railway stations);

- **A business entity established in South Korea** which intends to conduct the business of importing and selling imported foods is also required to undergo education on the sanitation control of imported food in advance. The relevant provisions are set out in the *Enforcement Rule of the Special Act on Imported Food Safety Control*⁵⁸.

Exporting Directly from Ireland

It is possible for Irish manufacturers to export directly to customers in South Korea. However, exporting directly can be time and resource intensive and the exporter will be responsible for dealing with all official import and distribution administration, including Customs Clearance, as well as ensuring compliance with local laws. The laws and procedures in South Korea tend to be prescriptive, can change with little or no warning, and the penalties for violations can be high.

Therefore, if an exporter does decide to trade directly, it is worth considering using an experienced and suitably qualified Customs Broker who can help you to manage this process as painlessly and efficiently as possible, for example dealing with export formalities and shipping as well as Customs procedures and clearance in South Korea.

As well as communicating directly with the Korean Customs Service (KCS) and other relevant government agencies such as MFDS and the Tax Authorities, a Customs Broker can also help by arranging for bonded warehousing, payment of local import duties and related taxes, and local haulage/onward forwarding, among others.

It is essential to spend sufficient time identifying the right Customs Broker, for example one that has native English-speaking staff to facilitate efficient and clear communication and avoid potentially time-consuming or costly misunderstandings. As with entering into any business relationship, as well as desk research, seek recommendations from a number of trusted sources including others who export successfully into South Korea, and ideally meet with them face to face.

B. Regulatory Environment

The regulations governing the import, distribution, sale and marketing of food and beverages are detailed and prescriptive in South Korea. Like all imported foodstuffs, alcohol beverages must meet the same strict food safety, product and labelling requirements as local products, including maximum residue limits, food additives and packaging requirements.

Imported alcohol beverages are subject to the general import rules and the regulations for food products in accordance with the Food Sanitation Act, the Special Act on Imported Food Safety & Control and the Act on Testing and Inspection in the Food & Drug Industry. The use of the term 'food' or 'foodstuffs' below means all types of foods and beverages including alcohol (with the exception of foods and beverages classified as medicines).

⁵⁸Enforcement Rule of the Special Act on Imported Food Safety Control, Korea Legislation Research Institute, 2016 https://elaw.klri.re.kr/kor_service/lawView.do?hseq=39025&lang=ENG

REGULATORY ENVIRONMENT

1. Import Procedures

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Imported alcohol beverages are subject to the general import rules and the regulations for food products in accordance with the *Food Sanitation Act*⁵⁹, the *Special Act on Imported Food Safety & Control*⁶⁰ and the *Act on Testing and Inspection in the Food & Drug Industry*⁶¹. The use of the term 'food' or 'foodstuffs' below means all types of foods and beverages including alcohol (with the exception of foods and beverages classified as medicines).

There are three main government agencies responsible for the regulatory control of importation and sale of alcohol beverages in Korea. These are:

- **Korea Customs Service (KCS):** the key body with overall responsibility for import Customs Clearance, including liaising with other agencies to ensure that each shipment has met all the necessary requirements (e.g. documentation, inspection, payment of tariffs and duties, etc.) before the products are released for distribution and sale in the South Korean market.
- **Ministry of Food & Drug Safety (MFDS):** the main government body for food safety management not only from the point of entry but also throughout the distribution and sales channels.
- **National Tax Service (NTS):** is responsible for tax related to alcohol such as liquor tax, education tax, and value-added tax.

Foreign alcohol can only be imported into South Korea by licensed importers. In addition, import and Customs Clearance regulations and procedures are complex, and much of the official documentation and submissions need to be made in Korean language. Consequently, most foreign manufacturers use experienced local Customs Brokers or licensed agents to import their products into South Korea.

Advance Registration of Overseas Manufacturing Facilities

All businesses intending to import overseas foods, including alcohol beverages, into South Korea for the first time must register the name, address and production description of the overseas manufacturing facility (including bottling plants that ship to South Korea) with the regional office of MFDS prior to shipping. The registration may be submitted by the foreign manufacturer themselves or their appointed local representatives or importers in Korean or English online or via post. In accordance with the *Special Act on Imported Food Safety & Control*, this should be done at least seven days prior to submission of the import declaration; if pre-registration is not completed, the Import Declaration will be rejected.

Information to be submitted to the MFDS for Registration of an Overseas Manufacturing Facility is as follows:

- Name of manufacturing facility, address, representative, phone number and E-mail address;
- Type of business, and whether food safety management system is applied;
- Type of food (processed foods, alcohol beverages, etc.);
- Consent for on-site inspection by visit if Minister of MFDS deems it necessary;
- Confirmation that the registered information is true;
- If importer is applying rather than the manufacturer, confirmation that the person who established and operates the overseas manufacturing facility agreed to the registration;

⁵⁹ Food Sanitation Act , National Law Information Center, 2017
https://elaw.klri.re.kr/kor_service/lawView.do?hseq=42310&lang=ENG

⁶⁰ Special Act on Imported Food Safety and Control <http://www.mfds.go.kr/eng/eng/index.do?nMenuCode=120&page=2&mode=view&boardSeq=70007>

⁶¹ Act on Testing and Inspection in the Food and Drug Industry, National Law Information Center, https://elaw.klri.re.kr/kor_service/lawView.do?lang=ENG&hseq=37717&joseq=JO0006000

The application for registration can be done either via online request or post⁶². For online request in English, click here and chose 'Application for Registration of Foreign Food Facility'. Items with a red asterisk are required information. Once the application is submitted MFDS will send a confirmation of receipt email.

MFDS will review the application and normally complete the registration within three working days. If MFDS finds any problem in processing a registration, they will contact the applicant directly via email.

Applications are checked by MFDS, including hygiene management (e.g. ISO / HACCP) at the facility through a document review and, if deemed necessary, on-site inspection. If MFDS decides to conduct a foreign facility on-site audit, they will normally notify the exporting country authorities and foreign facility of the audit plan and have prior consultation with them. The Special Act on Imported Food Safety & Control (implemented in February 2016) provides a legal basis for MFDS to take action against foreign facilities that refuse on-site audits. Imports can be suspended due to the rejection of an on-site inspection or certain inspection results. If an on-site audit of foreign facilities reveals issues that could result in import suspension, MFDS will ask for corrective measures before suspending imports. If corrective action is not taken, MFDS may then place an import suspension on products from the facility in question.

It should be noted that only the applicant that filed the original registration can request to make changes to that registration. Changes that must be registered include, among others, when the name or address of the overseas manufacturing facility is changed. Any changes to registration must be done prior to import declaration and can be done online: click here and choose 'Application for Updating of Foreign Food Facility.'

Registration is valid for two years and must be renewed at least seven days prior to expiration. Applications for renewal of registration can be made online at the same portal by the original applicant.

Excellent Importer Registration System

Overseas manufacturers who meet the criteria set by MFDS can apply for registration under The Excellent Importer Registration System. Registration under this scheme provides the overseas manufacturer with favourable conditions for import declaration (e.g. exclusion from random testing when their products are imported). Further information about the system can be found on the MFDS website (here). The system aims to encourage sellers of imported foods to voluntarily secure the safety of their products.

Customs Clearance

All products imported into South Korea must fulfil the import declaration and inspection requirements of the relevant government agencies. An online 'single window' system for entry procedures and cargo clearance has been set up by the KCS. This is intended to enable importers to benefit from an integrated online declaration to officials at the KCS and to other agencies that have joined the system, including MFDS.

Import Declaration

An Import Declaration Form for Imported Food must be submitted (in Korean or English) to the Regional Office of MFDS having jurisdiction over the port (or airport) of entry that will be responsible for clearing of the imported food through Customs. It should be completed by the owner of the imported goods or the Licensed Customs Broker and submitted electronically along with other relevant documents prior to or at latest on arrival of the shipment. An import declaration may be submitted up to five days in advance of the scheduled date of arrival; however, any changes (such as the port of arrival or the scheduled date of arrival), need to be reported in writing (including online).

⁶² Postal applications should be sent to: Food Import Policy Division, Ministry of Food & Drug Safety, 187 Osong Saengmyung 2-ro, Osongseup, Cheongwon-gun, Chungcheongbuk-do, South Korea 363-700.

The general Customs documentation required for the import of alcohol beverages into South Korea includes the following:

- Import Declaration Form (Customs Importation Certificate);
- Bill of Lading / Airway Bill;
- Commercial Invoice;
- Packing Lis;
- Approved Exporter status (as granted by the Irish Customs Authority);
- Certificate of production / bottling date;
- A sample of label/wrapper printed in Korean (including wrappers to which a label printed in Korean is attached/stickered) or a document mentioning content in Korean;
- A Certificate of Origin⁶³ or other proof of origin (e.g. in the Commercial Invoice or Bill of Lading), may be required in order to benefit from preferential tariff access or if a product carries an origin claim or a protected Geographical Indication;
- Products to be sold as 'organic' or carrying an organic claim should be accompanied by a Certificate of Organic Food from a recognised certification body/agency in a country whose organic certification system is deemed equivalent to those of South Korea (including the EU).

A Port of Entry Declaration informing the authorities of the arrival of a ship or aircraft and the goods contained therein must be submitted to the Customs officials by the freight forwarder or agent within 24 hours of arrival of the vessel or aircraft.

These requirements may change from time to time and therefore, exporters should check with their Customs agent or local partner to ensure they provide all relevant documentation. Details of import declaration requirements and procedures can be found on the KCS website ([here](#)).

Food Import Inspection and safety standards

MFDS will carry out a document check to verify that the imported goods meet South Korean standards and specifications including raw materials, additives, and manufacturing process; they also take into account any history of non-conformity by the manufacturer. Foods, including alcohol beverages, that have hazardous substances or unapproved food additives, foods with high defect rates from previous inspections, and foods with a concern of raising harm are subject to inspection order.

To assist in this process, South Korea operates the OPERA (Observation & Prediction by Endless Risk Analysis) system that analyses the manufacturer and importer history along with previous inspection results in real time to identify shipments for inspection.

Import Duties

South Korea uses a 10-digit Harmonised System (HSK). The classification provided by the importer or Customs agent in the import declaration is checked and confirmed by the KCS office on entry. It is the classification decided by the local Customs authorities that determines the tariffs/duties applying to imported shipments.

Whiskey and white spirits (Gin) from the EU can enter South Korea duty free as a result of the EU – Korea Free Trade Agreement. Import duty on beer is also being phased out under the FTA and appeared in Korea duty free as of 1 July 2018 (from 3.7% in 2017/18).

However, it is important to note that a 'direct transport' rule means that in order to receive preferential treatment under the FTA, goods need to be transported 'directly' from the EU to South Korea (or vice versa). Where Irish exporters use a regional distribution centre, such as

⁶³ Unlike the situation in some other EU FTAs, the EUR 1 form will not be accepted as a proof of origin and exporters have to issue an 'origin declaration' themselves. To be entitled to do so, exporters should obtain 'Approved Exporter' status with their national Customs authority (unless they export consignments of products whose total value does not exceed EUR6 000.)

2. Alcohol Tax

Singapore, it is still possible to benefit from preferential treatment under the FTA provided certain strict conditions are met. For example, goods in a single consignment may transit, be trans-shipped or kept in a warehouse in another country provided the goods are not released into free circulation and do not undergo any operations except unloading/reloading or to keep them in good condition. Such consignments should be accompanied by a separate Bill of Lading showing their point of departure and the point of final destination in South Korea. If considering shipping to South Korea via Singapore or another market, it is advised that you check with the Customs authorities the precise conditions that apply before dispatch from Ireland (or elsewhere).

Liquor Tax (Tax Base and Tax Rates)

In the case of imported goods, the tax base for alcohol is calculated as the sum of the taxable value plus the Customs duty at the time of declaration for import.

The liquor tax rate for alcohol beverages is currently 72% for beer, whiskey and white spirits (gin).

Education Tax

Any person liable to pay liquor tax (excluding the tax on ethanol for liquor making, unrefined rice wine, and medicinal wine) is required to also pay an education tax. The current tax rate for Irish craft beer, white spirits (gin), and whiskey is 30%; the amount payable is calculated on the base of the actual amount paid in Liquor Tax.

Value Added Tax

The tax base for Value-Added Tax (VAT) on the imported goods is the sum of the taxable value for Customs duties plus the Customs duties themselves, liquor tax and education tax on such goods. The tax rate of value-added tax is 10%. The paid VAT is eventually refunded to the importer as the tax is carried over to the consumer.

3. Distribution, Sales and Marketing

In general, the domestic distribution structure of imported liquor in South Korea follows the model of importer → intermediate wholesaler (broker, import specialist) → retailer → the consumer. However, direct sales and purchase of liquors between the importer and the consumer are permitted under the Liquor Tax Act.

Licensing or Registration of Distributors

A business operator must apply for a license in order to engage in the alcohol sales business including import, brokerage, and sales. There is no ceiling on the number of licenses issued, so any qualified candidate can obtain a liquor import license. To obtain the sales license, the applicant must satisfy criteria for facilities and other requirements prescribed by the *Enforcement Decree of Liquor Tax Act*. In particular, liquor wholesalers are not permitted to engage directly in other alcohol beverages supply chain activities or businesses.

The types and requirements for the alcohol beverages distribution and sales licenses are set out in the *Enforcement Decree of Liquor Tax Act Attached Table 5*.⁶⁴

Sales Restrictions

Except for the requirement for sellers to have an alcohol sales license, there are no significant regulations that restrict the density of retail outlets, sales hours, or the days when alcohol can be sold. Alcohol beverages are sold in any types of outlets with an alcohol sales license, including supermarkets, department stores, convenience stores and specialised alcohol beverage shops. South Korean consumers can also buy and consume alcohol beverages in any restaurant and hotel with an alcohol sales license.

Vendors cannot sell alcohol beverages through the online channel, except sales of South Korean traditional liquors. Since July 2017, it has been permitted for delivery services to deliver alcohol beverages in case of alcohol

beverages purchased in retail stores or purchased with food. At the same time, previous restrictions on 'carry out' sales of liquor from licensed restaurants was partially lifted to allow such sales in special cases, such as festivals.

Purchase of alcohol beverages by juveniles under the age of 19 is restricted by the Juvenile Protection Act, which defines alcohol beverages as 'harmful drugs'. However, there is no restriction limiting liquor producers from sponsoring events, sports events or youth events (festivals) in South Korea.

Advertising and Marketing

Advertising of alcohol beverages is limited by the provisions of the *National Health Promotion Act*. Restrictions mainly apply to television, radio, cinema, and metro (i.e. the underground). Ads for alcohol beverages on television are restricted to after 10PM, and no ads must be shown during youth programmes. There are no regulations governing alcohol beverage advertisements on the Internet and social media. In 2016, the Ministry of Health and Welfare (MOHW) announced the *Comprehensive Plan for National Mental Health* (here). As a result, since September 2016, every advertisement of alcohol beverages with more than one percent of alcohol content is required to include a warning to the effect that 'excessive drinking is harmful to health and drinking during pregnancy may harm health of a foetus'. In addition, the Ministry planned to restrict alcohol beverage advertisements on public transport and new media (DMB, IPTV, and the Internet), however, the MOHW has not yet implemented the plan.

*The Enforcement Decree of National Health Promotion Act*⁶⁵ includes the following restrictions on advertising of alcohol beverages:

- Any description that could convey a positive image of drinking or imply that drinking improves health and athletic ability or can be helpful in treating disease and mental health.

⁶⁴ Enforcement Decree of Liquor Tax Act Attached Table 5, National Law Information Center, 2018

⁶⁵ <http://www.law.go.kr/lsByllInfoPLinkRdo?bylCls=BE&lsNm=%EC%A3%BC%EC%84%B8%EB%B2%95+%EC%8B%9C%ED%96%89%EB%A0%B9&bylNo=0005&bylBrNo=00> (Korean language only) Enforcement Decree of National Health Promotion Act, Korea Legislation Research Institute https://elaw.klri.re.kr/kor_service/lawView.do?hseq=43548&lang=ENG (English)

4. Product Regulation and Standards

- Describing drinking while working or driving, or expressing the characters or voices of pregnant women and minors.
- Television and radio commercials of beverage containing alcohol levels of 17% and above are banned.
- Liquor advertising on TV is forbidden from 7:00 to 22:00, on radio from 17:00 to 8:00 the next day or in programmes targeted to minors.
- Using advertising jingles or offering prizes and gifts in order to promote sales of alcohol beverages.
- Advertising alcohol beverages without a warning phrase that 'excessive drinking is harmful to health and drinking during pregnancy may harm health of a foetus'. If not, a separate warning sign should be displayed at the bottom of the product's container.
- Broadcasting advertisements in movie cinemas (movies that are rated U, PG-12, and PG-15) and the metro (vehicles and stations).

On alcohol beverage sponsorship and sales promotion, in 2015, a Bill restricting celebrities under the age of 25 from appearing in advertisements for alcohol beverages was discussed. However, the Bill has not made much progress since then.

Geographical Indications (GI)

Through the Korea-EU Free Trade Agreement, South Korea and EU have agreed to protect the geographical indications (GI) in each country. Accordingly, South Korea must protect approximately 100 geographical indications for wines, spirits and beer that originate from the EU. Among them, 'Irish whiskey' is the only Irish geographical indication under the FTA's protection. Consequently, it is prohibited to manufacture a product in South Korea, with a name similar to 'Irish whiskey', or to import liquor products with the same or similar name from any other countries.

Local Standards for Whiskey, White Spirits, Beers

Imported foods and beverages are subject to the Ministry of Food & Drug Safety (MFDS). The '*Food Code*' published by MFDS, sets out the standards and specifications for food in general and for alcohol beverages. An unofficial English translation of the South Korean Food Code is available on the MFDS website ([here](#)).

The local definitions and specifications for whiskey, spirits, and beer as set out in the MFDS Food Code are summarised in Table 3.

Product	Issue	Standards
Whiskey	Definition	Whiskey refers to a product made by distilling wash fermented from germinated grains, with/without the addition of grains using water, etc. as an ingredient; and storing it in a cask.
	Specification	(1) Ethanol (v/v%): Conform to the provisions of the Liquor Tax Act. (2) Methanol (milligrams/mililitres): Not more than 0.5 (3) Aldehyde (milligrams/100 mililitres): Not more than 70.0
Spirits	Definition	General distilled alcohol beverage refers to products manufactured by fermenting and distilling ingredients containing starch and sugar, such as kaoliang liquor, rum, gin, vodka and tequila, etc.; or by mixing distilled spirits.
	Specification	(1) Ethanol (v/v%): Conform to the provisions of the Liquor Tax Act. (2) Methanol (milligrams/mililitres): Not more than 0.5 (not more than 1.0 only for products whose main ingredient is Agave tequilana) (3) Aldehyde (milligrams/100 mililitres): Not more than 70.0
Craft Beer	Definition	Beer refers to a product manufactured by conditioning mash fermented or filtered from germinated grains, hop, starch ingredients and water, etc., with/without the addition of carbon dioxide and spirits, etc. during a fermentation/conditioning process.
	Specification	(1) Ethanol (v/v%): Conform to the provisions of the Liquor Tax Act. (2) Methanol (milligrams/mililitres): Not more than 0.5

Source: The Food Code - Food Safety Korea⁶⁶

Raw Materials and Additives

Use of raw materials, as well as the ethanol content for whiskey, white spirits and beer is regulated by the Enforcement Decree of the Act on Liquor Tax Act. These are summarised in Table 4.

Table 4: Raw materials and ethanol content of Whiskey, Spirits, and Craft Beer in South Korea

Product	Standards
Whiskey	When mixing whiskey with alcohol, the overall alcohol content should not exceed 80%
Spirits	When blending spirits with whiskey or brandy, the alcohol proportion of whiskey or brandy should be less than 20% of the total alcohol content (If more than 20%, it is classified as whiskey or brandy, not spirits).
Beer	(1) Malt percentage should be more than 10% of raw materials (including rice, barley, corn, sorghum, potatoes, starch, sugar, caramel) (2) When fruit is added to beer (including fruit juice and dried fruit), the weight of the fruit shall not exceed 20% of the weight of malt and starch-materials combined

Source: Enforcement Decree of Liquor Tax Act Article 3

⁶⁶ <http://www.foodsafetykorea.go.kr/portal/healthyfoodlife/alBase.do> (Korean language only)

⁶⁷ Enforcement Decree of Liquor Tax Act Article 3, National Law Information Center, 2018 <http://www.law.go.kr/> / (20180213,28639,20180213)/3 (Korean language only)

The currently permitted additives that can be used in respect of whiskey, white spirits (gin), and craft beer are summarised below (see Table 5 and Table 6). The South Korean government plans to extend the range of additives that can be used in alcohol products in order to promote the production of domestic liquor, including traditional liquor and local craft beer. These changes were implemented on 1 April 2018.

The designated uses and tolerance levels of individual additives are established on a product-by-product basis by MFDS in accordance with the Korea Food Additive Code under the Food Sanitation Act.

Table 5: Additives permitted in Whiskey, Spirits, and Craft Beer in South Korea

Product	Standards
Whiskey	Sweetener, Acids, Seasonings, Flavourings, Colourants
Spirits	Sweetener, Acids, Seasonings, Flavourings, Colourants, Plants, etc.
Craft beer	Sweetener, Acids, Seasonings, Flavourings, Colourants, Plants, etc.

Table 6: Additives permitted for Whiskey, Spirits, and Craft Beer in South Korea

Category	Permitted additives	Permitted Additives Standards to be Changed (Since 1 April 2018)
Sweeteners	Sugar, Glucose, Fructose, Wheat-gluten, Molasses syrup, Maple syrup, Oligo sugar, Honey	Whiskey refers to a product made by distilling wash fermented from germinated grains, with/without the addition of grains using water, etc. as an ingredient; and storing it in a cask.
Acids	Lactic acid, Succinic acid, Acetic acid, Fumaric acid, Gluconic acid, Tartaric acid, Citric acid, Malic acid, Tannic acid	Acid modifiers that are permitted by the <i>Food Sanitation Act</i>
Seasonings	Amino acids, Glycerine, Dextrin, Hop, Minerals	Amino acids, Glycerine, Dextrin, Hop, Minerals, Tannin acid
Flavourings	Ester compounds, Aldehyde compounds, Fusel compounds	Flavourings that are permitted by the <i>Food Sanitation Act</i>
Colours	Colourants allowed by the Food Sanitation Act	Colourants allowed by the <i>Food Sanitation Act</i>
Others	Carbon dioxide, preservatives	Carbon dioxide, preservatives, filter adjuvant, yeast, yeast supplements

Food Safety and Hygiene

South Korean consumers are highly sensitive to food safety issues due to a series of incidents that have occurred in the past five years.

In respect of alcohol specifically, the Alcohol Safety Management Planning Team of MFDS announced a *General Plan for Alcohol Safety* (2015-2019) in 2015. Through the plan, the Ministry announced its intention to establish additional safety standards (e.g. maximum residue limits) for each type of alcohol as summarised in Table 7.

Table 7: Safety Standards under Review

Year	Types of Liquor	Subjects under review
2016	Craft Beer	(1) Diacetyl (2) Formaldehyde
2017	Craft Beer	(1) Mycotoxin (including Aflatoxin)
2018	White spirits	(1) Ethyl Carbamate
2019	White spirits	(1) Heavy metal including lead

⁶⁸ MFDS, General Plan for Alcohol Safety, 2015 http://www.koreasool.or.kr/modules/bbs/download.php?bbsMode=bbsFile&code=bbs_notice&img_id=640 (Korean language only)

Table 8: Major Inspection Items of Whiskey, White Spirits, and Craft Beer

Category	Items for standard inspection	Additional Potential Risk items
Whiskey	(1) Ethanol (2) Methanol (3) Aldehyde	(1) Colourants which are not permitted by the Food Sanitation Act (For details of colorants which are permitted by the Food Sanitation Act, please refer to here). (2) Dibutyl Phthalate
White spirits	(1) Ethanol (2) Methanol (3) Aldehyde	(1) Sodium Cyclamate (2) Dibutyl Phthalate (3) Lead (4) Cadmium (in case of using ceramic packages/containers)
Beer	(1) Ethanol (2) Methanol	(1) Food poisoning bacteria

Labelling and Claims

Food Labelling Standards are overseen by MFDS.⁶⁹ These include, among others, detailed provisions covering the required information, presentation of information and size of characters and legibility of labels. All imported alcohol must carry a Korean language label. In most cases, the Korean language label (sticker) is attached to the back of the bottle manually by the importer in the duty-free warehouse before Customs inspection. The mandatory requirement for labelling in Korean does not preclude the use of Chinese characters or other foreign languages on the label or packaging if this assists consumer understanding.

Alcohol beverage labels should include the following information⁷⁰:

- Product name
- Food type
- Name and address of importer or manufacturer
- Date of manufacture or bottling date
- Net contents volume (total net content)
- Name and content (amount) of ingredients
- Name and content of composite ingredients (if relevant)
- Storage method (If the product needs special storage method e.g. refrigerating)

- An indication of the material of the container or package (i.e. to indicate that it is suitable for food packaging)
- Precautions
 - Labelling ‘Call number 1399 to report false or unsanitary food’ (in order for consumers to report a product that is found be hazardous to consumers)
 - Allergens (in the case of beer, if relevant)
 - Radiation exposure (if relevant)
 - GMOs (if relevant, except for cases such as distilled spirits which have no genetically modified DNA or protein)
 - The ethanol content (in percentage)*

*In respect of ethanol content, the regulations for alcohol percentage allow for a +/- 0.5% point margin of error for the difference between the labelled and actual alcohol content. For example, a whiskey labelled as 40% alcohol if tested must be measured within the range 39.5% to 40.5%.

- Alcohol beverages (which contain one-percent or higher alcohol content among alcohol beverages under the Liquor Tax Act) must also carry a warning to the effect that excessive drinking is harmful to health.⁷¹

⁶⁹ MFDS, Food Labelling Standards, 2016 <http://www.mfds.go.kr/eng/eng/index.do?nMenuCode=120&page=1&mode=view&boardSeq=70814> (English)

⁷⁰ MFDS, Food Labelling Standards, 2016 <http://www.mfds.go.kr/eng/eng/index.do?nMenuCode=120&page=1&mode=view&boardSeq=70814> (English)

⁷¹ Article 8 (4) of the Liquor Tax Act as Amended by Presidential Decree No. 19878, Feb. 8, 2007.

5. Packaging Rules

Whiskey and Spirits must be labelled with their specific proper name in accordance with the composition of raw alcohol.

Beer may be labelled as 'light/pale beer' or 'dark beer' in accordance with colour. Beer that is not heat processed may be labelled as 'draught beer'. Beer with less than 30 calories (kcal) per 100 ml may be labelled with the term 'light'.

Additional labelling provisions for alcohol beverages include:

- (1) For the product name of alcohol, labelling in Chinese characters or a foreign language may be larger than that in Korean.
- (2) For ethyl alcohol and distilled spirits (including whiskey, and other general distilled spirits), the labelling of allergens may be omitted.
- (3) For ethyl alcohol and distilled spirits (including whiskey and other general distilled spirits), names of mixed ingredient can be omitted. Instead, the ethyl alcohol and the undiluted liquid shall be labelled with ingredient and food additives used after distillation.

In addition, the product's intended usage must be labelled on the main label or the supplementary label. For whiskey, the label should state 'for home use' or for large size stores'. Such liquors must also carry a statement on the main label or supplementary label that reads: 'Not allowed to be sold in restaurants and bars'.⁷²

Packaging and Container Regulations

General standards apply in respect of containers and packaging for food products, including alcohol beverages, together with detailed specifications for individual packaging materials.

The Standards and Specifications for Food Utensils, Containers and Packages (so-called *Packaging and Container Code*⁷³) apply to containers and packaging for all types of food, including alcohol beverages. The standard consists of three main parts: common standards and specifications; specifications for individual materials; and recognised testing methods.

Specifications include limits on residue content, hazardous substance migration and the testing methods that can be used to demonstrate compliance. As well as covering synthetic resins/plastics such as PE, PPE, PVC, PET, they also cover other materials including, among others, glass, porcelain, metal, wood, enamel and pottery, and starch. The specified requirements concerning glass containers for alcohol are summarised in Table 9.

⁷² The term 'restaurant and bar' refers to the place where an alcohol sales license is obtained and consumers can buy or drink alcohol.

⁷³ MFDS, Standards and Specifications for Food Utensils, Containers and Packages, 2015
<http://www.mfds.go.kr/eng/eng/index.do?nMenuCode=120&page=1&mode=view&boardSeq=70089> (English)

Table 9: Glass Container for Alcohol

Classification		Lead	Cadmium
Sample's depth is over 2.5 centimetre when liquid is filled	Less than 600 millilitres	Not more than 1.5 milligram's/litre	Not more than 0.5 milligram's/litre
	600 millilitres and more, and less than 3 litres	Not more than 0.75 milligram's/litre	Not more than 0.25 milligram's/litre
	3 litres and more	Not more than 0.5 milligrams/litre	Not more than 0.25 milligrams/litre
Sample that cannot be filled with liquid or sample whose depth is less than 2.5 centimetre when liquid is filled		Not more than 8 micrograms/centimetre sq	Not more than 0.7 micrograms/centimetre sq

Source: Standards and Specifications for Food Utensils, Containers and Package³²

Recycling and Re-Use Requirements

According to the *Act on the Promotion of Saving and Recycling of Resources*, manufacturers or importers may include a certain amount of money in the prices of products - separate from factory prices or import prices - as a 'container deposit' to facilitate the recovery and reuse of the containers. If they do so, they should mark 'container deposit refundable' and 'reusable' on the product containers and refund the deposit to the person who returns the container.

In such cases, the amount of the deposit is set by Ordinance of the Ministry of Environment in consideration of the cost of manufacturing the container.

Table 10: The Amount of Container Deposit per Piece

	Container Deposit per piece (KRW)
Less than 190 millilitres	KRW70
190 millilitres and more, and less than 400 millilitres	KRW100
400 millilitres and more, and less than 1,000 millilitres	KRW130
1,000 millilitres and more	KRW350

Source: Enforcement Decree of Act on the Promotion of Saving and Recycling of Resources⁷⁴

⁷⁴ Enforcement Decree of Act on the Promotion of Saving and Recycling of Resources, National Law Information Center, 2018 <http://www.law.go.kr/lsBylInfoPLinkR.do?lsiSeq=0&lsNm=%EC%9E%90%EC%9B%90%EC%9D%98%20%EC%A0%88%EC%95%BD%EA%B3%BC%20%EC%9E%A%EC%99%9C%EC%9A%A9%EC%B4%89%EC%A7%84%EC%97%90%20%EA%B4%80%ED%95%9C%20%EB%B2%95%EB%A5%A0%20%EC%8B%9C%ED%96%89%EA%B7%9C%EC%B9%99&bylNo=0004&bylBrNo=00&bylClS=BE&bylEFYd=&bylEFYdYn=Y> (Korean language only)

USEFUL CONTACTS

1. Government and Regulatory Bodies

Organisation Name	Contact (person, title, email, phone – where known)	Website
Embassy of Ireland in Republic of Korea	Mr. Julian CLARE, Ambassador T: +82-2-721-7200	https://www.dfa.ie/irish-embassy/republic-of-korea/
Embassy of the Republic of Korea in Ireland	Mr. Kang-il HU, Ambassador T: +353-1-660-8800 or +353-1-660-8053 E: irekoremb@mofa.go.kr	http://overseas.mofa.go.kr/ie-en/index.do
Korea Agency of HACCP Accreditation and Services	Head Office for Accreditation T: +82-43-928-0116	https://www.haccp.or.kr/eng/main.jsp
Korea Communications Commission	Mr. Hyo-Sung LEE, Chairman T: +82-2-2100-1200	http://eng.kcc.go.kr/user/ehpMain.do
	Mr. Bong-Jin JANG, Head, Broadcasting Advertisement Policy Division T: +82-2-2110-1270	
Korea Customs Service	Mr. Yung-Moon KIM, Commissioner T: +82-042-481-7600	http://www.customs.go.kr/kcshome/site/index.do?layoutSiteId=english
Ministry of Environment	Ms. Eun-Kyung KIM, Minister T: +82-44-201-6001	http://eng.me.go.kr/
	Mr. Won-Tae KIM, Head, Resources Recycling Division T: +82-44-201-7380	
	Mr. Myung-Gyu JEONG, Head, Waste-to-Energy Division T: +82-44-201-7400	
	Mr. Byung-Hwa LEE, Head, Resources Circulation Policy Division T: +82-44-201-7340	

Organisation Name	Contact (person, title, email, phone – where known)	Website
Ministry of Food and Drugs Safety	Mr. Young-Jin RYU, Minister T: +82-43-719-1201	http://www.mfds.go.kr/eng/index.do
	Mr. Seung-Yong LEE, Head, Imported Food Policy Division T: +82-43-719-2170	
	Mr. Soon-Gon CHOI, Head, On-site Inspection Division T: +82-43-719-6201	
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	Mr. Sang-Bae HAN, Head, Food Safety Policy Division T: +82-43-719-2010	
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	Mr. Jae-Ho OH, Head, Food Additives Standard Division T: +82-43-719-2501	
Ministry of Gender Equality and Family	Ms. Hyun-Baek JUNG, Minister T: +82-2-2100-6001	http://www.mogef.go.kr/eng/index.do
	Mr. Sung-Byeok KIM, Head, Division of Youth Protection Environment T: +82-2-2100-6291	
Ministry of Health and Welfare	Mr. Neung-Hoo PARK, Minister T: +82-44-202-2005	http://www.mohw.go.kr/eng/index.jsp
	Ms. Jeon-Gyeong CHA, Head, Division of Mental Health Policy T: +82-44-202-2860	

EXPORTING BEVERAGES TO ASIA: SOUTH KOREA

Organisation Name	Contact (person, title, email, phone – where known)	Website
Ministry of Strategy and Finance	Mr. Dong-Yeon KIM, Minister T: +82-44-215-2000	http://english.mosf.go.kr/
	Mr. Sang-Yul LEE, Deputy Director General for International Tax and Customs Affairs T: +82-44-215-4400	
	Mr. Byeong-Kyu, KIM, Head, Deputy Director General for Property and Consumption Tax T: +82-44-215-4300	
	Mr. Seung-Chul YOON, Head, Individual Consumption Tax Division T: +82-44-215-4330	
National Tax Service	Mr. Seung-Hee HAN, Commissioner T: +82-44-204-2201	http://www.customs.go.kr/kcshome/site/index.do?layoutSiteId=english
Ministry of Environment	Ms. Eun-Kyung KIM, Minister T: +82-44-201-6001	http://nts.go.kr/eng/
	Mr. Dong-Hee CHANG, Head, Excise Tax Division T: +82-44-204-3371	

2. Local Irish Contacts

Organisation Name	Contact (person, title, email, phone – where known)	Website
IDA Ireland	Mr. William KIM, Director of Korea T: +82-2-721-7217 E: info@ida.ie	https://www.idaireland.com/
Irish Association of Korea	Mr. Andrew KILBRIDE, Chairman E: iak.chair@gmail.com	

3. Industry and Stakeholder Bodies

Organisation Name	Contact (person, title, email, phone – where known)	Website
Asia Ireland Chamber of Commerce in Korea	Mr. Desmond SCULLY, Convenor T: +82-02-753-3039	
European Chamber of Commerce in Korea, Seoul Office	Mr. Dimitris PSILLAKIS, Chairman T: +82-2-6261-2700 E: ecck@ecck.eu	https://ecck.eu/
	T: +82-51-959-9696	

4. Trade Promotion Boards

Organisation Name	Contact (person, title, email, phone – where known)	Website
Enterprise Ireland, South Korea	Ms. Dianne RHEE, Director South Korea T: +82-2-721-7250 or +82-10-3784-7923 E: info@Enterprise-Ireland.com	https://www.enterprise-ireland.com/en/
Korea Food Industry Association	T: +82-2-3470-8100	http://www.kfia.or.kr/kfia/sub.php?menukey=265
Korea Health Supplements Association	T: +82-31-628-2300	https://www.khsa.or.kr/user/eng/Intro.do?_menu=101&introType=C1
Korea International Trade Association	T: +82-1566-5114	http://global.kita.net/

5. Local Spirits and Alcohol Associations

Organisation Name	Contact (person, title, email, phone – where known)	Website
Korea Wine and Spirit Importer Association	T: +82 2 422 6833 E: jhbopa@unitel.co.kr	http://www.kwsia.or.kr (Korean language only)

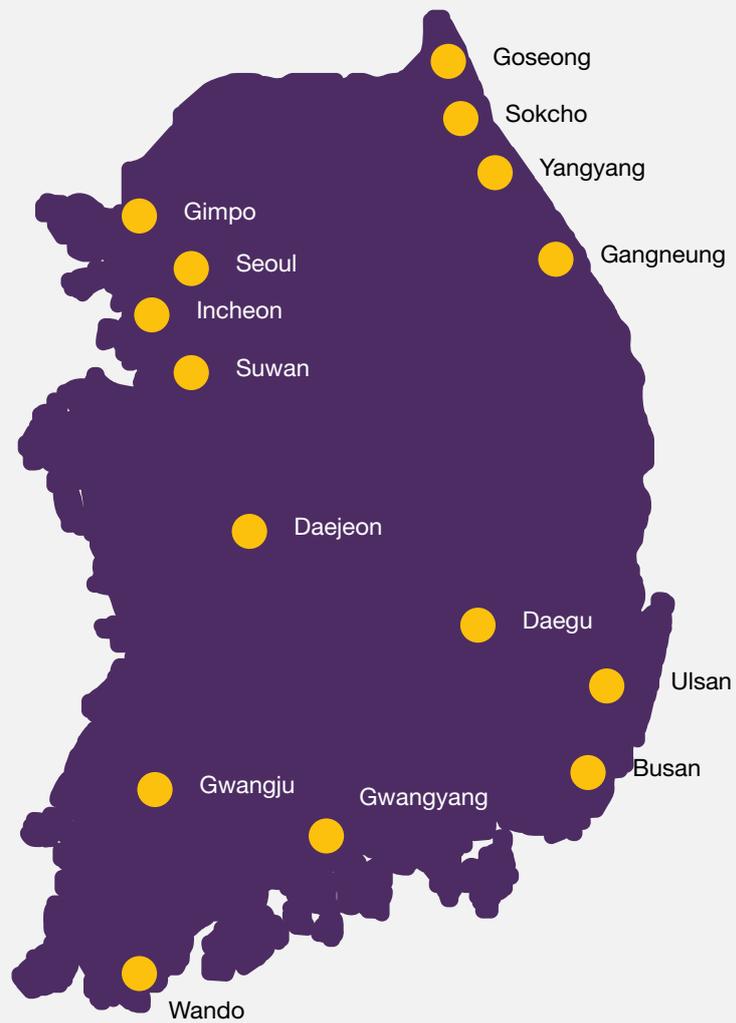
6. List of Exhibitions and Trade Fairs for Alcohol Beverages

Organisation Name	Contact (person, title, email, phone – where known)	Website
<p>The 16th Seoul International Wines & Spirits Expo</p> <p>The Exhibition is South Korea's only wines and spirits exhibition for 15 years. Exhibited items include beer, spirits, Korea Traditional Alcohol Beverage, wine.</p> <p>This Exhibition is open for companies, buyers, and enthusiasts. It is also open for visitors (online registration required).</p>	<p>(Held annually)</p> <p>Coex Hall C, Seoul</p>	<p>Website: http://siwse.com/fairDash.do?hl=ENG</p> <p>Organised by Korea International Exhibition Co. Ltd.</p> <p>Email: intosws@siwse.com Telephone: +82-2-761-2512</p>
<p>Seoul Food & Hotel</p> <p>Seoul Food & Hotel is South Korea's leading and largest international Exhibition for the Food, Beverages, Hotel, Restaurant, Foodservice, Bakery & Supermarkets industries. 2018 is the third year of this Exhibition.</p> <p>Participants are importers, distributors, industry buyers from retail, catering and hospitality industries in South Korea. The Exhibition is also open for visitors (online registration required). Visitor profiles of this event are manufacturers, distributors, wholesalers, hotels, restaurant owners, catering service operators.</p>	<p>(Held annually)</p> <p>KINTEX, Daehwa-dong, Ilsan-seogu, Goyang-si, Gyeonggi-do</p>	<p>Website: http://www.seoulfoodnhotel.co.kr/</p> <p>One of the organisers is the Korea Trade-Investment Promotion Agency (KOTRA).</p> <p>Ms. Emma IM (Kemall World)</p> <p>Email: emma@kemallworld.com Telephone: +82-(0)2-569-5004</p> <p>Mr. PARK Gwang Gyu (KOTRA)</p> <p>Email: info@seoulfood.or.kr Telephone: +82-(0)2-3460-7267</p>
<p>Foodeat Tasty Wines Goyang</p> <p>The Exhibition is around fine food, wine, and spirits. It is designed for buyers and visitors to source new products from all around the world and for exhibitors willing to showcase their premium products. The range of products comprises delicatessen products, grocery products, sweet products, dairy products, seafood products, beverages, wines and spirits.</p> <p>The Exhibition is open to exhibitors and visitors (online registration required). Visitor profiles of this event often are importers, wholesalers, distributors, retail businesses, bar/café owners, hotels, restaurant owners, travel businesses.</p>	<p>(Held annually)</p> <p>KINTEX Exhibition Center II, 8-A Area Daehwa-dong, Ilsan-seogu, Goyang-si, Gyeonggi-do, Korea</p>	<p>Website: http://foodeat.net/ Email: info@foodeat.net</p> <p>Telephone: +82-(0)2-554-1469</p> <p>Mr. Timour X. LALANNE (Europe Contact)</p> <p>Email: tlalanne@break-events.net</p>

Organisation Name	Contact (person, title, email, phone – where known)	Website
<p>Food Week Korea</p> <p>It is touted as South Korea's most established food industry trade show. It is organised by Coex and supported by the Ministry of Trade, Industry and Energy, Ministry of Food and Drug Safety, Seoul City Office and Gangnam District Office. Under the Beverage categories, wine, spirits are included.</p> <p>The Exhibition is open for exhibitors and visitors (online registration required). Visitor profiles of this event often are importers, manufacturers, exporters, wholesalers, distributors, retailers, chain store owners.</p>	<p>(Held annually)</p> <p>Coex Convention Centre, Halls A, B, C, D 513 Yeongdong-daero Gangnam-gu, Seoul Korea, 06164</p>	<p>Website: http://koreafoodweek.com/</p> <p>Email: foodweek.info@coex.co.kr</p> <p>Telephone: +82-2-6000-8160</p>

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SINGAPORE MARKET



SINGAPORE MARKET



SINGAPORE

Singapore
 719.9 km²
 5.88 million⁷⁵
 English, Mandarin,
 Malay, Tamil
 Singapore Dollars (SGD)
 1 SGD = 0.615 EUR⁷⁷
 296.97 billion USD
 2.0%
 51,880 USD⁸¹
 100.4⁸³
 High Income
 6/180
 5/160
 2/190



Capital
Geographic Size
Population (2016)
Official Language/s
Currency
Exchange Rate (Aug 2018)
GDP (2016)⁷⁹
GDP Growth (2016)⁸⁰
GNI per capita (2016)
Consumer Price Index (Jan 2018)⁸⁴
Income Category⁸⁵
Corruption Perceptions Index Ranking (2017)⁸⁶
Logistics Performance Index Ranking (2017)⁸⁷
Ease of Doing Business Ranking (2017)⁸⁸



IRELAND



Dublin
 84,421 km²
 5.01 million⁷⁶
 Irish Gaelic, English
 Euro (EUR)
 1 EUR = 1,327.37 SGD⁷⁸
 USD 304.8 billion
 5.1%
 USD 52,560⁸²
 104.1
 High Income
 19/180
 18/160
 17/190

⁷⁵The World Factbook, CIA, Singapore

⁷⁶The World Factbook, CIA, Ireland

⁷⁷XE Exchange Rate: SGD to EUR (Feb 2018)

⁷⁸XE Exchange Rate: EUR to SGD (Feb 2018)

⁷⁹The World Bank Data 2016

⁸⁰The World Bank Data 2016

⁸¹The World Bank, Singapore

⁸²The World Bank, Ireland

⁸³SingStat Gov

⁸⁴The OECD Stats

⁸⁵World Bank Country Categorisation by Income: high-income countries are those with a GNI per capita of

USD 12,236 or more.

⁸⁶Transparency International, Corruption Perceptions Ranking 2017

⁸⁷The World Bank, Logistics Performance Index Rankings 2016

⁸⁸The World Bank, Doing Business Rankings 2017

GLOSSARY OF TERMS

'ACRA'	➤ The Accounting and Corporate Regulatory Authority	'HACCP'	➤ Hazard Analysis and Critical Control Points
'ASAS'	➤ The Advertising Standards Authority of Singapore	'HS Code'	➤ Harmonised System Code
'ASEAN'	➤ The Association of South East Asian Nations	'HPB'	➤ Health Promotion Board
'AVA'	➤ The Agri-Food and Veterinary Agency	'IBG'	➤ Inter-Bank GIRO
'BAC'	➤ Blood Alcohol Concentration	'ICA'	➤ Immigration and Checkpoints Authority
'CCP'	➤ Cargo Clearance Permit	'ITC'	➤ International Trade Centre
'CIF Value'	➤ Cost, Insurance and Freight Value	'JECFA'	➤ Joint FAO / WHO Expert Committee on Food Additives
'CPIB'	➤ Corrupt Practices Investigation Bureau	'LAB'	➤ Liquor Appeal Board
'CPF'	➤ Central Provident Fund	'LPRP'	➤ Logo for Products with Reduced Packaging
'EU'	➤ European Union	'Medisave'	➤ National Medical Savings Scheme
'FAO'	➤ Food and Agriculture Organisation of the United Nations	'MOM'	➤ The Ministry of Manpower
'FCD'	➤ Food Control Division	'NEA'	➤ National Environment Agency
'FIN'	➤ Foreign Identification Number	'NGO'	➤ Non-Governmental Organisation
'FTA'	➤ Free Trade Agreement	'OBLS'	➤ Online Business Licensing Service
'FTZ'	➤ Free Trade Zone	'SCAP'	➤ Singapore Code of Advertising Practice
'GI'	➤ Geographical Indication	'SPA'	➤ Singapore Packaging Agreement, 2007
'GIRO'	➤ General Interbank Recurring Order	'SPF'	➤ The Singapore Police Force
'GM'	➤ Genetically Modified	'UEN'	➤ Unique Entity Number
'GMP'	➤ Good Manufacturing Practices	'VAT'	➤ Value-Added Tax
'GST'	➤ Goods and Services Tax	'WHO'	➤ The World Health Organisation

MARKET OVERVIEW

Singapore is today ranked among the world's strongest and most competitive economies. With its open and transparent regulatory environment, the use of English as business language, excellent transportation infrastructure, telecommunications and banking facilities, Singapore is one of the world's easiest places to do business. The country is a leading global business hub, consistently ranked among the top three economies in Ease of Doing Business rankings for the past 12 years. It is also in the top 10 least corrupt countries, according to Transparency International's Corruption Perception Index. For these reasons, in addition to relatively easy import requirements, businesses contemplating exporting to Asia for the first time generally find Singapore to be a relatively straightforward and user-friendly option.

Singapore does not have a particularly strong historical relationship with alcohol beverages, but their consumption is seen as part of social life and widespread due in part to the multi-racial domestic population and a very diverse and significant expatriate population.

Lightly self-characterising itself as 'The Little Red Dot', a metaphor for its small size as well as its strategic location in the tropical South East Asia Sub-Region, Singapore projects itself as an international, dynamic, safe and well-governed republic which turned 50 in 2015.

Off-setting this dynamism, at its core, Singapore is a relatively conservative country with a population of nearly six million, of which the majority ethnically Chinese (74%) followed by Malays (13%), Indians / Sri Lankans (9%), and a diverse expatriate population of other Asian, European, Middle Eastern and European residents. Notably, 14.7% of residents in Singapore subscribe to Islam (and almost all Malays subscribe to Islam), a religion which prohibits the consumption of alcohol beverages.

Ireland enjoys a very positive image in Singapore. Ireland is regarded as a land of fun and openness, and of nature and open spaces – characteristics which are very appealing to Singaporeans living in a highly urbanised and stressful living environment.

Beer is by far Singapore's most popular alcohol beverage. This is largely due to Singaporeans being highly price-sensitive. The retail price of alcohol beverages in Singapore is one of the highest in the world due to steep Customs and Excise duties. Alcohol beverages are one of only four imported goods into Singapore which is otherwise a duty-free jurisdiction.

Having said that, there is a long-standing preference amongst the Chinese and Indian / Sri Lankan communities for spirits, including whiskey. This preference has been gradually shifting from whiskey being a traditionally older persons' drink of choice to increasingly a younger persons'. With a highly developed economy and rising disposable income, Singaporeans are becoming more adventurous and are exploring different brands and products of alcohol beverages. Amongst these, craft beers, gin and whiskey have become popular with a prevalence of boutique and specialised Whiskey and Gin Bars popping up in key food and beverage precincts.

The EU-Singapore Free Trade Agreement (EUSFTA) will help to enhance the recognition and protection of EU geographical indications (GIs) in Singapore. Having said that, with almost no domestic agriculture sector and a negligible food & beverage manufacturing sector, GIs do not hold the same appeal as they do in other East Asian Countries that have an FTA with the EU (e.g. Japan, South Korea). Notably, despite being signed in 2014, the EUSFTA has not yet entered into force due to delays in the ratification process on the EU side.

Singapore consumers are brand-conscious and increasingly food safety conscious so prefer consumer products originating from developed markets. Thanks to world-leading trading infrastructure (i.e. airports, seaports, warehousing, cold chains, trade finance, professional and transparent border agencies, etc.) Singapore consumers can enjoy imported consumer products (durables and non-durables) year-round from all corners of the globe.

In this context, food products originating from Europe, Australia, New Zealand, Japan and other developed markets are preferred over developing Asian countries

such as China and Vietnam. This augurs well for Irish exporters who can capitalise on their Irish heritage and positive imagery in Singapore. The 2016 opening of Bord Bia's Asia Regional Office in Singapore bodes well for Irish exporters seeking to export to Singapore.

Accordingly, and taking into consideration the aforementioned world-leading trading infrastructure, Singapore is often the export destination of choice for first-time exporters from outside Asia. As one of the ten-member states of the Association of South East Asian Nations or simply ASEAN (a political and economic organisation aimed primarily at promoting economic growth and regional stability among its members), Singapore is also viewed as a relatively easy entry point into the South East Asia Sub-Region. ASEAN is working towards an economic community which, amongst others, includes a free trade area and aspires to regulatory harmonisation in areas including shipping documentation and product testing.

Environmental and food safety backlashes from consumers are rare and are typically knee-jerk short-term reactions to major crises impacting Singapore. For example, a strong bout of forest fire smoke ('haze') in 2015 originating from slash-and-burn farming methods in neighbouring Indonesia resulted in an outcry by consumers and forced retailers to remove products from haze-linked companies (specifically paper and palm oil related). After the haze subsided, so did consumer demands and activism around the haze issue, despite the remaining political tensions in Singapore's bilateral relations with Indonesia.

While Singapore's domestic market is small, the ease of exporting to Singapore makes it a popular first destination for exporters dipping their toes into the diverse Asian market. Being highly dependent on imports and foreign investment, the procedures for exporting products to Singapore are transparent, fast, relatively simple to follow and published entirely online and in English. As most food and beverages products are imported, Singapore does not discriminate against imports of any F&B Sector products, including alcohol beverages. The rules and

regulations will be applied equally for Singaporean and foreign players.

Shopping in Singapore is hugely popular with tourists from South East Asia and China, who regard Singapore as the go-to shopping destination for premium products. Shopping alone accounts for 47% of tourism receipts from China. Tourists can qualify for tax-free shopping if their purchases are at least SGD100. Tax refunds will help to incentivise tourists to spend by removing the 7% GST levied on all goods and services in Singapore. Increased use of tax-free shopping is expected as GST is slated to rise to 9% between 2021 and 2025.

Exporters will find that the route to export to Singapore is well-established. A network of importers, distributors, Customs agents, declaring agents are available for exporters to tap onto to deal with import requirements. Exporters can contact the Irish Embassy and the co-located Bord Bia Asia Regional Office for detailed advice on entering the Singapore market.

The overall ease of doing business in Singapore is reinforced by the fact that the Country ranks consistently among the top 10 least corrupt countries on the Corruption Perceptions Index. Corruption should not be an issue for exporters but if exporters encounter any hint of it they should report it immediately to Singapore's Corrupt Practices Investigation Bureau (CPIB) so as to avoid becoming inadvertently engaged in any corrupt act. Singapore's government is highly intolerant of corruption and punishment for doing so can be severe.

1. Alcohol Consumption

While overall alcohol drinks observed a slowdown in growth in total volume terms in 2016, due to a sluggish economic performance in 2015-2016, the market remains robust. High disposable incomes of Singapore consumers coupled with the opening of more pubs and restaurants, an increasingly popular cocktail culture, as well as a stronger tourist and expatriate presence, have boosted alcohol beverages consumption in recent years.



more pubs and restaurants
have an increasingly
popular cocktail culture

Alcohol Facts Box – South Korea		
Pattern of Drinking Score⁸⁹	This composite measure of drinking patterns reflects how people drink not how much they drink, on a scale of 1 (least risky pattern of drinking) to 5 (most risky pattern of drinking). Attributes used to create this indicator include quantity of alcohol consumed per occasion, festive drinking, the proportion of drinking events when getting drunk, the proportion of drinkers who drink daily, drinking with meals, and drinking in public places.	2 (somewhat risky)
Alcohol Consumption	Proportion of alcohol beverages in 2010 ⁹⁰	Spirits: 15% Beer: 70% Wine: 13% Others: 2%
	Total alcohol consumption per capita (15+yo) in 2015 ⁹¹	2.9 litres
	Change in consumption volume (2003-2005 and 2008-2010) ⁹²	+1.0 litres (from 1.0 litres to 2.0 litres)
	Total alcohol per capita, drinkers only (Males) in 2010 ⁹³	4.7 litres
	Total alcohol per capita, drinkers only (Females) in 2010 ⁹⁴	2.4 litres
	Total alcohol per capita, drinkers only (Both sexes) in 2010 ⁹⁵	3.9 litres
Prevalence of heavy drinking⁹⁶	Prevalence among both sexes over 15 in 2010, % of total population	4.4%
	Prevalence among both sexes over 15 in 2010, % of total drinkers	8.9%
	Prevalence of abstainers (people who have not drunk in the last 12 months) among both sexes over 15 in 2010, % of total population	50.1%

⁸⁹World Health Organisation, Global Health Observatory Data Repository, 2015

⁹⁰The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Singapore

⁹¹The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Singapore

⁹²The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Singapore

⁹³The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Singapore

⁹⁴The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Singapore

⁹⁵The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Singapore

⁹⁶The World Health Organisation, Alcohol Consumption: Levels and Patterns, 2010, Singapore

2. Alcohol Policy

In Singapore, the national legal minimum age for sales of alcohol beverages is 18. The national maximum legal blood alcohol concentration (BAC) when driving a vehicle is 35 micrograms per 100 millilitres of breath, or 80 milligrams of alcohol per 100 millilitres of blood.

Until 2015, there were few channel restrictions on the selling and consumption of alcohol beverages. However, following a public backlash from a spate of drink-driving incidents and the Little India riots in 2013, the Parliament passed the *Liquor Control (Supply and Consumption) Act*, aimed at minimising public disorder arising from drinking in public. Public consumption of alcohol beverages and sale of take-away alcohol beverages is prohibited from 10.30pm to 7am. Sale and consumption of alcohol beverages at licensed premises like bars, restaurants and coffee shops are limited to the hours stipulated in the licence. The legislation also empowers the police to designate Liquor Control Zones, in which sale of alcohol on weekends and public holidays are prohibited – as of 2018, only Geylang and Little India have been designated as Liquor Control Zones.

All advertising in Singapore must adhere to the *Singapore Code of Advertising Practice (SCAP)*, which is published by the Advertising Standards Authority of Singapore (ASAS). While the SCAP is not legally binding, it is advisable to follow the guidelines stipulated in the SCAP as the major media platforms in Singapore are owned by the government and government-linked corporations. Under the SCAP, advertising should not feature persons younger than 18 years of age nor encourage them to consume alcohol beverages. It should not emphasise the stimulant or sedative effects of alcohol beverages, should not depict consumption of alcohol as important for social success etc. This is in line with the negative portrayal of alcohol consumption in the news, in which alcohol consumption is associated with binge drinking, drink driving, domestic violence and other anti-social behaviour.

Singapore's Health Promotion Board, a statutory board under the Ministry of Health, is proactively disseminating messages and educational materials warning of the health risks of excess alcohol consumption and promoting responsible drinking.⁹⁷

The Singapore Nightlife Business Association and the European Chamber of Commerce's Wine, Spirits and Beer Committee formed the Singapore Alliance for Responsible Drinking in April 2017 to promote responsible drinking. This is intended to help ensure that staff at nightclubs and bars undergo a standard training programme that adapts best practices across the world to the Singapore context in order to help staff to recognise and handle problem drinking appropriately. The Alliance is also understood to be exploring the idea of introducing a voluntary accreditation scheme to raise standards amongst operators by rewarding responsible operators.

High domestic taxes on alcohol beverages (i.e. excise duties, GST, Customs duties for beer) make Singapore one of the most expensive places to buy spirits with the average bottle sold at SGD88.00⁹⁸. Bottled craft beer can cost between SGD12 (300 millilitres) to SGD46 (750 millilitres) in eateries⁹⁹.

⁹⁷https://www.healthhub.sg/live-healthy/6/responsible_drinking_guide

⁹⁸<https://www.vinexpo-newsroom.com/singapore/>

⁹⁹Flanders investment and trade market survey on Specialty Beer in Singapore

3. Trade Overview

Singapore is the EU's 17th largest trading partner (trade in goods) and the EU's largest trading partner in ASEAN. The EU and Singapore completed the negotiations for a comprehensive Free Trade Agreement (FTA) on 17 October 2014. The FTA is at the time of writing (October 2018) still pending ratification from both EU institutions and Singapore. The date of entry into force is thus still uncertain but is likely not to be before mid-2019 at the earliest. The agreement will eliminate the few existing import duties, including on beer (whiskey and gin are not subject to import duties since 2002). The FTA will also provide for the application and registration of a list of EU Geographical Indications (GIs), including Irish Whiskey / Uisce Beatha Eireannach / Irish Whisky Spirit and Ireland Irish cream.

According to Euromonitor¹⁰⁰, sales of spirits are forecasted to increase at a compounded annual growth rate of 3% over 2015-2020 to reach five million litres by 2021, particularly due to growing interest in categories like cocktails, single malt Scotch whisky and Japanese whisky (Irish whiskey is considered a new trend with interesting growth potential). Whisky accounts for 15% of alcohol beverages imports. Interestingly, Singaporeans are by far the biggest Scotch whisky drinkers in the world with 12.76 bottles of whisky per person per year¹⁰¹.

Beer and ale, particularly well-known international brands such as Tiger, Heineken, Guinness, Baron's Strong Brew, Heineken, Stella Artois etc. remain Singaporeans' favourite alcohol beverages, accounting for slightly more than 70% of imports. According to data from the International Trade Centre (ITC), total beer imports into Singapore grew from 85 million litres in 2007 to reach a peak of 152 million litres in 2013 before declining to 127 million litres in 2016¹⁰². Specialty/craft beer is mainly served in restaurants, bars and clubs supplied through beer importers and remains a niche market among alcohol beverages generally in Singapore.

Irish exports to Singapore of alcohol beverages are experiencing a positive growth spurt, with an overall 15% year-on-year increase in exports to Singapore from 2016 to 2017, from EUR6 million in 2016 to EUR7 million in 2017. According to the European Commission's market access database¹⁰³, Irish exports to Singapore are dominated by cream liqueurs (EUR4,528,147 in 2017), followed by whiskey (EUR887,671 in 2017). Exports of other spirits, such as gin, are instead very marginal or non-existent. Ireland is the 6th EU exporter of beer to Singapore, with exports totalling EUR394,743 in 2017.

¹⁰⁰<http://www.euromonitor.com/spirits-in-singapore/report>

¹⁰¹<https://vulcanpost.com/3992/singaporeans-are-the-worlds-hardest-scotch-whisky-drinkers/>

¹⁰²https://www.trademap.org/Country_SelProductCountry_TS.aspx?nvpm=1|702|||2203||4|1|1|1|2|1|2|2|1

¹⁰³ http://madb.europa.eu/madb/statistical_form.htm

4. Doing Business in Singapore – Important to Know

Any company wanting to do business in Singapore market first of all needs to be aware of local social and business norms.

- Understanding the local business culture is a crucial element when exporting to Singapore and can be the determining factor in making or losing a sale. Singapore is a diverse nation encompassing different cultural heritages that need to be taken into account.
- Singaporeans consider personal relationships more important than the company you work for. It is therefore necessary to establish a good and genuine relationship with your Singaporean counterpart to demonstrate your capabilities and good character.
- Singaporeans strongly value punctuality, arriving late to social or professional meetings is seen as a form of disrespect.
- Status and hierarchy are important in Singaporean business culture where companies have a top-down structure. Decisions are taken by the senior management and subordinates avoid questioning or criticising their superiors. Women play an integral part in the professional environment and hold managerial positions.
- As each ethnic group has a different way of using names, it is advisable to ask a Singaporean what he or she would like to be called. When meeting a person for the first time, it is wise to use the appropriate title and last name until told differently.
- A light handshake is the common form of greeting in business situations. Business cards are exchanged upon being introduced. Exchange business cards with both hands after you are introduced.
- In business discussions, Singaporeans tend to be calm and composed and do not openly show their emotions. You should speak in a quiet and gentle tone with your Singaporean counterparts as speaking too loudly is considered rude. Do not take a 'yes' from your Singaporean counterparts literally. Singaporeans will rarely answer a question with a blunt 'no'. 'Yes' can mean 'maybe' and even 'no'.
- Negotiations are often conducted at a slow pace and Singaporeans are likely to bargain hard. Do not be impatient in business negotiations as this will be seen as a weakness by your Singaporean counterparts.

5. Options for Irish Exporters to Singapore

There are three main options for Irish exporters wishing to enter the Singaporean market:

- Export directly from Ireland.
- Appoint a local representative, (e.g. agent or distributor).
- Establish a business presence in Singapore (e.g. set up a company, branch, and sales office).

There are, as noted previously, pros and cons for each option and which option is most the appropriate will vary depending, among other things, on the individual exporters' circumstances, business strategy, previous export experience and knowledge of the Singapore market.

Working with a Local Partner

Despite Singapore being consistently ranked as the easiest place to do business, including starting a new one, when exporting to Singapore, it is highly advisable to consider making use of local partners on the ground that can help you navigate through the requirements of the Singaporean food regulations and local trading practices.

Investing sufficient time in identifying potential partners (be it as an agent or a distributor) and getting to know them face-to-face before taking a decision to collaborate is absolutely essential. As well as doing your own desk research, seek recommendations from others who have experience in working with Singaporean partners. It is also recommended that you consider attending Trade Fairs and Exhibitions which are very popular in Singapore and a good way to make initial contact with potential partners and distributors. Irish businesses seeking partners in Singapore can obtain useful contacts and advice from Bord Bia's Regional Office, as well as from Enterprise Ireland's Singaporean office in Singapore.

Establish a Presence in Singapore

For those Irish exporters who do decide to establish a direct presence in Singapore, various options are available; including setting up a wholly-owned foreign enterprise (or subsidiary), a branch office of a foreign company, or a liaison or representative office. Legal and taxation obligations vary depending on the business structure chosen.

As for other ASEAN markets, the choice dictates not only how the business is established and treated in respect of commercial laws, practices and taxation, but also what business activities it may perform.

Additional Requirements for Singaporean Companies Intending Importing and Selling Alcohol Products

Irish exporters who decide to set up a company or sales unit in Singapore in order to import, distribute or sell alcohol products need to be registered with the Agri-Food and Veterinary Authority (AVA) as a trader of Processed Food Products. For each consignment, an import permit is required. Below is a summary of requirements needed to import alcohol beverages into Singapore:

- Register as a business entity with the Accounting and Corporate Regulatory Authority (ACRA) which will issue a Unique Entity Number (UEN). It is necessary to open and maintain a General Interbank Recurring Order (GIRO) account: The GIRO account is for payment of fees and permits to government agencies, including AVA and Singapore Customs.
- Register and activate UEN with Singapore Customs: Companies must register and activate UEN with Singapore Customs here to import, transship and export food products. Applications for the activation of a Customs account can be processed within four working hours (if no supporting documents are required) or three working days (from receipt of complete supporting documents).
- Register with AVA as a trader of Processed Food Products online through the Online Business Licensing Service (OBLs). The step-by-step guide can be found here. No documents are required to apply as a trader of Processed Food Products.

Once registration is completed, an import permit is required for each shipment imported into Singapore. An Irish Exporter can either appoint a declaring agent to apply for Customs permits on their behalf or apply directly through the TradeXchange system here or through the TradeNet system. The government is currently migrating, since end-2017, the TradeXchange system to a National Trade Platform system. (See next section for further details.) The time taken for AVA and Singapore Customs to process the application is normally one working day. No supporting documents are required for the application of import permit for beer, whisky and gin. A step-by-step guide is available at the Singapore Customs website¹⁰⁴.

¹⁰⁴Quick Guide on Registration Matters <https://www.customs.gov.sg/businesses/registering-to-trade/quick-guide-on-registration-matters>

REGULATORY ENVIRONMENT

1. Import Procedures

All imported foodstuffs, including alcohol beverages, must meet the same strict food safety, product and labelling requirements as local products, including maximum residue limits, food additives and packaging requirements. AVA is the national government agency responsible for ensuring food safety and food regulations in the country. AVA oversees the implementation of the framework regulation by the *Sale of Food (Amendment) Act 2017*, which includes subsidiary legislation, most notably the Food Regulations setting out the labelling and compositional requirements for imported foods, including alcohol beverages.

As Singapore imports over 90% of the food consumed in the country, import procedures are relatively straightforward.

- Unlike other countries in the region, exporters do not need any kind of licence or permit prior to commencing exports.
- Facilities used for the manufacture of goods, including alcohol beverages, do not require prior approval/registration prior to importing products into Singapore.
- There is no requirement to register products/recipes.
- Alcohol beverages are not subject to mandatory inspection at port of entry. However, officials of AVA's Food Control Division (FCD) may carry out random checks. During inspection, samples may be taken for laboratory analysis. If so, the consignment may be placed on hold until the laboratory results are known and found to be compliant with Singapore's laws and regulations.

Overseas Manufacturing Facilities

While as mentioned above, registration of overseas manufacturing facilities is not required, all food and beverages imported into Singapore must be produced under sanitary conditions in a properly regulated establishment. Importers are required to maintain documentary proof that the products they import are produced in an establishment under proper supervision of the competent food authority in the country of origin (i.e. Food Safety Authority of Ireland). Some examples of these documents are:

- Business licence or registration of the premises
- Certificate of Hazard Analysis and Critical Control Points (HACCP) or equivalent quality assurance system
- Certificate of Good Manufacturing Practices (GMP)

Import Permit/ Cargo Clearance Permit

As referenced previously, an **import permit is required for every shipment** before importing goods into Singapore. The importer can opt to either:

- Appoint a declaring agent to apply for import permit on the importer's behalf (a list of approved declaring agents can be found here); or
- Apply for an import permit directly through the TradeXchange system here or through the TradeNet system (the government is currently migrating, since end-2017, the TradeXchange system to a National Trade Platform system). The HS code required can be found in Table 11 below. The time taken for AVA and Singapore Customs to process the application is normally one working day. No documents are required for the application of import permit for beer, whisky and gin. A step-by-step guide can be consulted here.

After approval, a Cargo Clearance Permit (CCP) will be issued. The CCP will be required for clearance of goods at the border. The CCP will also state the validity period (up to one year – but likely to be two to three weeks). A sample of the CCP can be obtained here.

Once the CCP has been obtained, imports to Singapore can take place. For goods imported by sea or air, importers must submit the import permits to the shipping or airline agents respectively within 10 days of import.

All goods entering Singapore by air or sea will first enter into a Free Trade Zone (FTZ). Alcohol beverages are allowed to be stored within the FTZ for up to 30 days. The goods can also be stored in a licensed warehouse (by Customs) if it is not feasible to store in the FTZ.

In accordance with the *Sale of Food Act (Amended) 2017*, all non-retail food businesses will have to be licensed by AVA, including premises used for commercial storage of food, under 'Registration of Food Storage Warehouse'.

When the goods are moved from the FTZ or licensed warehouses into the Customs territory of Singapore (to be imported into Singapore), custom duties, excise duties and GST will be levied (see section on taxes).

Customs Documentation

The general Customs documentation required for the import of alcohol beverages into Singapore includes the following:

- The Cargo Clearance Permit (CCP)
- Commercial invoice
- Bill of Lading
- Packing list
- Certificate of Origin (not currently required, but necessary to obtain preferential tariff treatment once EU-Singapore FTA enters into force)

Customs Duties/Excise Duty/ Goods and Services tax (GST)

As Singapore is essentially a free port, 99% goods enter the country duty-free. Alcohol beverages are one of the few exceptions. Table 11 shows the Customs duty, excise duty and GST applicable to all relevant alcohol beverages. GST is a broad-based consumption tax levied on the import of goods collected by Singapore Customs. In Ireland and many other countries, GST corresponds essentially to the Value-Added Tax (VAT). It is calculated based on the Costs, Insurance and Freight (CIF) value and all duties and other chargeable costs, whether or not shown on the invoice.

Table 11: Applicable Customs Duties, Excise Duties, and GST for Beer and Spirits

HS Code	Product description	Customs duty	Excise duty	Goods and services tax (GST)
22030010	Beer, Porter or Porter	SGD16.00/litre of alcohol	SGD60.00/ litre of alcohol	7%
22030090	Other beer (Draught, Ice, Lager, Malt, Pilsner, Ale)	SGD16.00/litre of alcohol	SGD60.00/ litre of alcohol	7%
22083000	Whisky, Blended or Straight below or above , not over 46% alcohol	None	SGD88.00/litre of alcohol	7%
22084000	Rum & other spirits distilled from fermented sugar-cane products	None	SGD88.00/litre of alcohol	7%
22085000	Gin/Geneva	None	SGD88.00/litre of alcohol	7%
22086000	Vodka	None	SGD88.00/litre of alcohol	7%
22087000	Liqueurs & cordials	None	SGD88.00/litre of alcohol	7%

Below is an example to illustrate the amount of applicable custom duties and GST:

Company X importing 75 litres of beer worth SGD300 with alcohol strength of 5%.

Duties payable = Total quantity in litres x Customs and/or excise duty rate x Percentage of alcohol strength

As the Customs and excise duties for beer are SGD16 and SGD60 per litre of alcohol respectively:

$$75 \times (\text{SGD}16 + 60) \times 5\% = \text{SGD}285$$

2. Distribution, Sales and Marketing

In order to calculate GST, the following formula applies

GST payable = 7% x Customs value + duties payable

$7\% \times 300 + 285 = \text{SGD}306$

Please note that when the EU-Singapore FTA enters into force, Customs duties, currently applicable only on beer, will be eliminated.

GST chargeable = (CIF + Customs duty + excise duty) x 7%

Please note that GST will be increased to 9%. The date of implementation is slated to be between 2021 to 2025.

Licensing or Registration of Distributors

In order to sell alcohol beverages via retail or wholesale channels in Singapore, it is necessary to be established as a business in Singapore.

Under the Liquor Control (Supply and Consumption) Act, a liquor licence from the Police Licensing & Regulatory Department is needed to conduct wholesale and retail sale of alcohol beverages:

- Supply is by retail if the supply is for less than 30 litres of alcohol beverages (whether of a single type or a combination of two or more types); and
- Supply is by wholesale if the supply is to a liquor licensee of any quantity of alcohol beverages (whether of a single type or a combination of two or more types) or to any person for 30 litres or more of alcohol beverages (whether of a single type or a combination of two or more types).

The categories of liquor licenses, including the list of fees and operating hours allowed under each license, can be found here. Note that, in order to conduct both retail and wholesale sales of alcohol beverages, two licences will be required (e.g. Class 4 license for wholesale and Class 1A to 3B for retail).

Applications for liquor licenses can be done through electronic filing via LicenseOne here. The application will normally be processed within 12 working days. A comprehensive guide and FAQ on application and conditions of the liquor license is available on the Singapore Police Force (SPF)'s website here.

Decisions made by the Licensing Officer on applications for licenses via LicenseOne can be appealed with the Liquor Appeal Board (LAB).

Other licenses related to the retail business of alcohol beverages that might be relevant are:

- Public Entertainment Establishment license
- Change of use / Enquire on Approved Use of Premises
- Food Shop license

Sales Channel Restrictions

In 2015, the government passed the Liquor Control (Supply and Consumption) Act to tighten control over supply and consumption of alcohol beverages. The purchase of alcohol beverages for take-away and consumption of alcohol beverages in public spaces are prohibited between 10.30pm to 7am. Retailers may apply to the SPF for extension of sales hours after 10.30pm, but it will be granted on a case-by-case basis. Individuals organising events in public spaces may apply for a liquor consumption permit to consume liquor after 10.30pm in public spaces.

Members of the public can continue to consume alcohol beverages in licensed premises such as restaurants, bars and coffee shops during the hours stipulated in the premises' licenses and at home. Persons under the age of 18 are prohibited from purchasing alcohol beverages and consuming alcohol beverages in licensed premises.

Two areas – Geylang and Little India – have been designated as Liquor Control Zones (places with a higher risk of public disorder associated with excessive consumption of alcohol beverages). This prohibits retailers in the designated zones from selling alcohol beverages from 7pm on Saturday to 7am on Monday, and from 7pm on the eve of public holidays to 7am on the day after the public holiday.

Advertising and Marketing

All advertisements published in Singapore must adhere to the SCAP, which is published by the ASAS. While the SCAP is not legally binding, adherence to the SCAP is strongly recommended as the TV and newspaper media platforms in Singapore are owned by the government and government-linked corporations. As such, requests by ASAS for the advertisements to be removed and for media platforms to impose sanctions (e.g. withholding advertising space) will very likely be approved by the media platforms.

Under Annex K of the SCAP:

- Children should not be portrayed in advertisements for alcohol beverages, except in scenes where the presence of children is natural, such as a family home, but it should be clear that children are not consuming alcohol beverages;
- Advertisements should not encourage people younger than 18 to drink;
- Advertisements should only feature people obviously over 18 years of age to be drinking;
- Advertisements should not emphasise the stimulant, sedative or tranquillising effects of any alcohol beverages;
- Advertisements should not recommend alcohol beverages for its intoxicating effects;
- Advertisements should not give the impression that drinking is necessary for social success;
- Advertisements should not depict activities or locations where drinking alcohol beverages would be unsafe (e.g. drinking alcohol beverages while operating machinery);
- Advertisements should not encourage excessive consumption of alcohol beverages.

3. Product Regulation and Standards

Under the *TV Advertising Code*, racial, religious, cultural and social sensitivities in Singapore's society should be taken into account in TV advertising. For example, alcohol beverages advertisements should not be placed within/alongside Malay programmes or Children's/ Teen programmes. Taking into account racial, religious and social sensitivity, care should be taken to avoid advertisements featuring Muslims and Malays consuming alcohol beverages as 14.7% of Singapore residents are Muslim and almost all ethnic Malays (13.4% of Singaporeans) are Muslim.

As the SCAP does not apply to digital platforms such as social media, ASAS published the *Guidelines for Interactive Marketing Communication and Social Media* in 2016. While it does not explicitly state alcohol beverages, the guidelines stipulate that digital marketing communication aimed at children should be appropriate for their age group.

Under the Regulation 9 of the Food Regulations, false or misleading labelling or advertising is not allowed. The use of claims for therapeutic purposes; or claims to alleviate or cure medical conditions; or improve health or physical condition, is prohibited.

Geographical Indications (GI)

The EU and Singapore completed the negotiations for a comprehensive free trade agreement on 17 October 2014. The FTA is at the time of writing (October 2018) still pending ratification from both EU institutions and Singapore. The date of entry into force is thus still uncertain but is likely not be before mid-2019 at the earliest. Once entered into force, the FTA will also provide for the application and registration of a list of EU GIs, including Irish Whiskey / *Uisce Beatha Eireannach* / Irish Whisky Spirit and Ireland Irish cream.

Local Standards for Irish whiskey, Irish White spirits, Irish Craft Beers

Product definitions and requirements for alcohol beverages are provided for in Part IV of the Food Regulations here.

Table 12: Product Definitions and Specifications in Singapore Food Regulations

Product	Category	Details
Ale, beer, lager, porter and stout	Definition	A fermented liquid brewed from a mash of malted or other grain and sugar or dextrose or both, with hops or other harmless vegetable bitters
	Specification	More than or equal to 1.0% alcohol at 20°C
Whisky (Whiskey)	Definition	The alcohol distillate obtained from a mash of cereal grain or cereal grain products matured by storage in wood to develop its characteristics, with or without the addition of caramel. Flavoured whisky shall be whisky with the addition of permitted flavouring agent.
	Specification	More than or equal to 37.0% alcohol at 20°C
Gin	Definition	Gin, including Holland, Geneva and Genever, shall be the product made from neutral spirit or suitably rectified spirit flavoured with the volatile products of juniper berries with or without other natural flavouring substances, and may contain sugar. Dry Gin is gin with no sugar added.
	Specification	More than or equal to 37.0% alcohol at 20°C

Raw Materials and Ingredients

The generic list of permitted additives can be found in the *Fifth to Eight and Thirteen Schedule of the Food Regulations* here. The food additives allowed must comply with the specifications recommended by the Joint FAO / WHO Expert Committee on Food Additives (JECFA). AVA also refers to the European Pharmacopoeia for generally accepted specifications and purity criteria of additives. Additional maximum levels of preservatives are specifically prescribed for beer, as set out in Table 13.

Table 13: Permitted Class 2 Chemical Preservatives Prescribed for Beer (and Maximum amount permitted in parts per million/ppm)

Product	Sulphur Dioxide	Benzoic Acid	Methyl or Propyl para-hydroxybenzoate
Beer	25 ppm	70 ppm	70 ppm

Source: Fourth Schedule of the Food Regulations, AVA

Food Safety and Hygiene

Under the Eleventh *Schedule of the Food Regulations* here, alcohol beverages must meet AVA's requirement of a total microbial count of less than 100,000 per millilitre at 37°C for 48 hours.

The *Tenth Schedule of the Food Regulations* here, prescribes the maximum amounts permitted for arsenic, lead and copper, in parts per million as set out in Table 14.

Table 14: Maximum Amounts Permitted for Arsenic, Lead and Copper in Parts per Million (ppm)

Product	Arsenic	Lead	Copper
Beer, lager, whiskey and gin	0.2 ppm	0.2 ppm	5 ppm
Ale, porter and stout	0.2 ppm	0.2 ppm	7 ppm

Source: *Fourth Schedule of the Food Regulations, AVA*

Labelling and Claims

All food labels must be in English, clearly legible and be printed in letters at least 1.5mm in height. They must be truthful and not mislead the consumer. In line with international practice, it is not required to list as ingredients the following: cereals, whey and nuts used as distillates for alcohol beverages and fish gelatine or isinglass as fining or clarifying agents in beer.

Labels must contain the following information:

- Name or description of food: Common name or description as in the Food Regulations (Ale, beer, lager, porter, stout, gin and whiskey) that will be sufficient for consumers to identify the food product.
- Allergen declaration for foods and ingredients known to cause hypersensitivity (the list in the Food Regulations includes, among others, cereals containing gluten i.e. wheat, rye, barley, oats, spelt, or their hybrid strains and their products, eggs and egg products, peanuts, soy beans and their products, tree nuts and nut products, sulphites in

concentrations above 10milligrammes/kilogrammes or more.) This may be done by using a 'contain' statement.

- Note that while the use of 'may contain' disclaimer statement to declare possible allergens is allowed, AVA does not encourage its use and may require justification to be provided if consumers raise any concerns on potential food allergens in the food product.
- The net content in package: Volumetric measure (millilitres or litres). The use of the term 'net' to describe the volume of the content is necessary.
- Name and address of the local importer / distributor / agent: Telegraphic, facsimile and post office addresses alone are not accepted.
- Country of Origin: Listing the city, town or province alone is insufficient – the country must be listed.
- Expiration date

4. Packaging Rules

Alcohol beverages are not required to carry a statement of ingredients on their labels. While the regulations do not require listing the alcohol content of alcohol beverages, almost all alcohol beverages in Singapore state the alcohol content by percentage (up to one decimal point) clearly on the label.

For more information, please consult AVA's *Guide to Food Labelling and Advertisements* ([here](#))

Format Restrictions

There are no format or size restrictions set out for alcohol beverages in Singapore.

There are also no specific provisions requiring foodstuffs and/or alcohol beverages to be in sealed packaging. However, the AVA Guide considers foodstuffs 'unsuitable' if their packaging is deemed to be 'damaged, deteriorated, perished, or contaminated to the extent of affecting the food's reasonable intended use'. ([link](#))

Recycling and Re-Use Requirements

To reduce packaging waste, the National Environment Agency (NEA) launched the *Singapore Packaging Agreement (SPA)* in 2007, an initiative between NEA, industry and NGOs. Companies can apply to become signatories of SPA. Under SPA, packaging benchmarks for different products have been created for companies to compare the weight of their packaging against peers.

The Packaging Benchmark for beers, which measures the benchmark weight for the indicated volume of beer, can be obtained [here](#).



It is also worth noting that Singapore will be putting in place mandatory requirements on packaging of consumer products by 2021. As part of the requirements, companies, including importers selling products in Singapore, will have to report and publish packaging waste reduction plans and meet packaging requirements, standards and recycling targets. These requirements could include reporting the weight, volume and type of packaging; reporting waste reduction and recycling statistics; having standards for packaging weight, recyclability of packaging and recycled content of packaging; and recycling targets based on the amount of packaging and type of packaging materials. Industry consultations to develop the details on the implementation framework for the mandatory reporting requirements were held in 2017.

USEFUL CONTACTS

1. Government and Regulatory Bodies

Organisation Name	Contact (person, title, email, phone – where known)	Website
Agri-Food and Veterinary Authority of Singapore (AVA)	Dr. (Mr.) CHUA Tze Hoong, Group Director Quarantine & Inspection Group, Regulatory Programmes & Operations T: +65 6805 2882	www.ava.gov.sg
AVA	Ms. CHUA Lay Har, Deputy Director Food Section, Import & Export Regulation Department, Quarantine & Inspection Group, Regulatory Programmes & Operations T: +65 6805 2875	www.ava.gov.sg
Consulate-General of the Republic of Singapore, Dublin	Mr. Ronald J. BOLGER, Honorary Consul-General T: +353 1 669 1700 E: info@ely.ie	https://www.mfa.gov.sg/content/mfa/overseasmission/dublin/about_the_consulate_general.html
Delegation of the European Union to Singapore	Ms. Deepika SHETTY, Press & Information Officer T: + 65 6576-0112	https://eeas.europa.eu/delegations/singapore_en
Embassy of Ireland, Singapore	Amb. (Mr.) Pat BOURNE	https://www.dfa.ie/
Embassy of Ireland, Singapore	Ms. Aislinn DWYER, Deputy Head of Mission	https://www.dfa.ie/
National Environment Agency (NEA)	Mr. Ananda Ram BHASKAR, Director-General Environmental Protection Division T: +65 6731 9364	www.nea.gov.sg
Packaging Council of Singapore (PCS)	Ms. Betty TAN, Chairman Executive Director, Sin Cheong Containers Mfg Co Pte Ltd T: +65 6826 3074	www.packaging.org.sg
Singapore Customs	Mdm. CHUA Yock Chin, Head Tariffs & Trade Services Branch, Trade Division T: +65 6355 2096	www.customs.gov.sg
Singapore Customs	Ms. SUNG Pik Wan, Assistant Director-General Checkpoints Division T: +65 6355 2377	www.customs.gov.sg

Organisation Name	Contact (person, title, email, phone – where known)	Website
Singapore Environment Council (SEC)	Ms. Jen TEO, Executive Director T: +65 6337 6062 E: info@sec.org.sg	www.sec.org.sg
Singapore Police Force	Supt (Mr.) LEE Kok Pin, Assistant Director Public Entertainment and Liquor Licensing Division, Police Licensing & Regulatory Department T: +65 6557 3431	www.spf.gov.sg
Singapore Retailers Association	Ms. Rose TONG, Executive Director T: +65 6360 0180 / +65 9368 7878	www.retail.org.sg

2. Local Irish Contacts

Organisation Name	Contact (person, title, email, phone – where known)	Website
Bord Bia – Irish Food Board (Singapore)	Mr. Ciarán GALLAGHER, South East Asia Director T: +65 6804 9344	https://www.bordbia.ie/
IDA Ireland	Mr. Gerard WHITTY, Director SE Asia T: +65 6238 0774 / +65 9815 4521 E: info@ida.ie	www.idaireland.com
St Patrick's Society Singapore	Ms. Elizabeth McENEANEY, President E: stpatssingapore@outlook.com	http://stpatssingapore.com/ https://www.facebook.com/stpatssingapore/

3. Industry and Stakeholder Bodies

Organisation Name	Contact (person, title, email, phone – where known)	Website
EuroCham Singapore	Mr. Elgin SEAH, Policy and Corporate Affairs Manager T: +65 6836 6681	www.eurocham.org.sg
EuroCham Singapore, Wine, Spirits & Beer Committee	Mr. David WHITE, Chairman Mr. Davide BESANA, Vice-Chairman	
EU-ASEAN Business Council	Mr. Chris HUMPHREY, Executive Director T: +65 6836 6681	www.eu-ASEAN.eu

4. Trade Promotion Boards

Organisation Name	Contact (person, title, email, phone – where known)	Website
Enterprise Ireland, Singapore	Mr. Smruti INAMDAR, Director ASEAN T: +65 6804 9380 E: info@enterprise-ireland.com	https://www.enterprise-ireland.com/en/

5. Local Spirits and Alcohol Associations

Organisation Name	Contact (person, title, email, phone – where known)	Website
Food and Beverage Management Association in Singapore	Mr. Alan LOW, President T: +65 6415 3557	http://fbma.sg
Singapore Nightlife Business Association	Mr. Dennis FOO, President T: +65 6270 7676 E: info@snba.org.sg	http://snba.org.sg/

6. List of Exhibitions and Trade Fairs for Alcohol Beverages

Event Details	Date & Venue	Contact Details
<p>Whiskey Live</p> <p>Whisky Live Singapore is South-East Asia's premier whisky and spirits event. Organized by La Maison du Whisky, this event gathers over 70 whisky and spirit brands for tasting, with rising stars of the whisky industry as well as some of the world's most famous distilleries.</p>	(Held annually)	<p>Website: http://www.whiskylive.com/events/Singapore/singapore</p>
<p>Food & Beverage Fair</p> <p>Special Drink-Up! Beverage theme festival will be included in the 2018 Fair. New show attraction showcases beverage products including beers, spirits, and wine.</p> <p>Open to the public.</p>	(Held annually) Singapore Expo, Hall 5	<p>Website: http://singaporefoodshows.com.sg/food-and-beverage-fair/</p> <p>Email: sales@singaporefoodshows.com.sg</p> <p>Telephone: +65 6747 4620</p>
<p>Food & Hotel Asia</p> <p>This is Asia's most comprehensive international food & hospitality trade event.</p> <p>Participants are traders and buyers only. Members of the general public will not be admitted.</p>	(Held once every 2 years) Singapore Expo, Hall 10	<p>Website: http://www.prowineasia.com/sg/</p> <p>Ms. Beatrice J. HO (Exhibition Booth Sales)</p> <p>Email: Beatrice@mda.com.sg</p> <p>Telephone: +65 6332 9642</p> <p>Mr. Jeffrey AU (Exhibition Booth Sales)</p>

Event Details	Date & Venue	Contact Details
<p>ProWine Asia 2018</p> <p>This is held alongside the Food & Hotel Asia trade event, and brings together the best of practices, credibility and recognition from Wine & Spirits Asia (Asia's international trade exhibition for wines and spirits) and ProWine (world's leading international trade fair for wine and spirits).</p> <p>Participants are traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held once every 2 years)</p> <p>Singapore Expo, Hall 10</p>	<p>Website: http://www.prowineasia.com/sg/</p> <p>Ms. Beatrice J. HO (Exhibition Booth Sales)</p> <p>Email: Beatrice@mda.com.sg Telephone: +65 6332 9642</p> <p>Mr. Jeffrey AU (Exhibition Booth Sales)</p>
<p>Speciality & Fine Food Asia</p> <p>South East Asia's leading trade show for artisan, gourmet and fine food & drink, an Asian edition of London's greatest gourmet event.</p> <p>Participants are traders and buyers only. Members of the general public will not be admitted.</p>	<p>(Held annually)</p> <p>Suntec Convention Centre, Singapore</p>	<p>Website: http://www.speciality-asia.com/</p> <p>Visiting or Press Relations: Ms. Karen LIM (Marketing Manager) Email: karen.lim@montgomeryasia.com Telephone: +65 9388 4024</p> <p>Exhibiting & Sponsorship (Asia, Australia & New Zealand) Ms. Melissa GOH (Sales Manager) Email: melissa.goh@montgomeryasia.com Telephone: +65 9880 4126</p> <p>Exhibiting & Sponsorship (Rest of the World) Mr. James MURRAY (International Sales) Email: international@freshmontgomery.co.uk Telephone: +44(0)20 7886 3094</p>

REFERENCES AND USEFUL INFORMATION SOURCES

- AVA, [Guide for Product Codes \(processed foods\)](#)
- AVA, [Guide on application for license and registration](#)
- Singapore Customs, [Sample of Cargo Clearance Permit](#)
- [Industry Guide on Documents Required for Import](#)
- [Singapore Customs, List of dutiable goods](#)
- [EU Singapore-EU FTA](#)
- AGC, [Liquor Control \(Supply and Consumption\) Act](#)
- AGC, [Consumer Protection \(Fair Trading\) Act](#)
- AGC, [Sale of Goods Act](#)
- ASAS, [Singapore Code of Advertising Practice](#)
- IMDA, [TV Advertising Code](#)
- ASAS, [Guidelines for Interactive Marketing Communication and Social Media](#)
- AVA, [Food Regulations](#)
- AVA, [A guide to food labelling and advertisements](#)
- HPB, [Handbook on nutrition labelling](#)
- NEA, [Singapore Packaging Agreement](#)



GLOSSARY OF TERMS - MASTER

'FTA'	➤ Free Trade Agreement	'Packaging and Container Code'	➤ Standards and Specifications for Food Utensils, Containers and Packages under MFDS
'FTZ'	➤ Free Trade Zone	'PE'	➤ Polyethylene
'FY'	➤ Fiscal Year, Financial Year	'PET'	➤ Polyethylene Terephthalate
'GDP'	➤ Gross Domestic Product	'PPE'	➤ Polyphenylene Ether
'General Rate'	➤ Customs tariff rates	'PVC'	➤ Polyvinyl Chloride
'GI'	➤ Geographic Indication	'SCAP'	➤ Singapore Code of Advertising Practice
'GIRO'	➤ General Interbank Recurring Order	'SPA'	➤ Singapore Packaging Agreement, 2007
'GM'	➤ Genetically Modified	'SPF'	➤ The Singapore Police Force
'GMO'	➤ Genetically Modified Organism	'UCP'	➤ Utensils, containers and packaging
'GMP'	➤ Good Manufacturing Practices	'UEN'	➤ Unique Entity Number
'GNI'	➤ Gross National Income	'US'	➤ The United States of America
'GST'	➤ Goods and Services Tax	'VAT'	➤ Value-added Tax
'HACCP'	➤ Hazard Analysis Critical Control Point	'WHO'	➤ The World Health Organisation
'HSK'	➤ Harmonised Commodity Description and Coding System of Korea	'WTO'	➤ The World Trade Organisation
'HPB'	➤ Health Promotion Board	'ACRA'	➤ The Accounting and Corporate Regulatory Authority
'HS Code'	➤ Harmonised System Code	'ASAS'	➤ The Advertising Standards Authority of Singapore
'IBG'	➤ Inter-Bank GIRO	'ASEAN'	➤ The Association of South East Asian Nations
'ICA'	➤ Immigration and Checkpoints Authority	'AVA'	➤ The Agri-food and Veterinary Agency
'IPTV'	➤ Internet Protocol Television	'BAC'	➤ Blood Alcohol Concentration
'NTS'	➤ The National Tax Service	'B/L'	➤ Bill of Lading or Airway Bill
'ISO'	➤ International Organisation for Standardisation	'CAA'	➤ The Consumer Affairs Agency
'OBLS'	➤ Online Business Licensing Service	'CCP'	➤ Cargo Clearance Permit
'OECD'	➤ Organisation for Economic Co-operation and Development	'CIF Value'	➤ Cost, Insurance and Freight Value
'OEM'	➤ Original Equipment Manufacturer		
'OMF'	➤ Overseas Manufacturing Facility		
'OPERA'	➤ Observation & Prediction by Endless Risk Analysis		

'The Code'	➤ Singapore Code of Advertising Practice	'Medisave'	➤ National Medical Savings Scheme
'Content Weight'	➤ Volume (in litres or millilitres)	'METI'	➤ The Ministry of Economy, Trade and Industry
'CPF'	➤ Central Provident Fund	'MFDS'	➤ The Ministry of Food and Drug Safety
'DMB'	➤ Digital Multimedia Broadcasting	'MHLW'	➤ The Ministry of Health, Labour and Welfare
'DNA'	➤ Deoxyribonucleic acid, signifying hereditary genetic characteristics	'MOHW'	➤ The Ministry of Health and Welfare
'EU'	➤ The European Union	'MOM'	➤ The Ministry of Manpower
'EUR'	➤ Euro	'MOTIE'	➤ The Ministry of Trade, Industry, and Energy
'FCD'	➤ Food Control Division	'NEA'	➤ National Environment Agency
'FDS'	➤ Food and Drug Safety	'NFSI'	➤ The National Sanitation Foundation International
'FIE'	➤ Foreign Invested Enterprise	'NGO'	➤ Non-governmental Organisation
'FIN'	➤ Foreign Identification Number	'NTA'	➤ The National Tax Agency
'Food'	➤ All types of food and beverages including alcohol		
'FSA'	➤ Food Sanitation Act		
'JECFA'	➤ Joint FAO / WHO Expert Committee on Food Additives		
'JETRO'	➤ Japan External Trade Organisation		
'KAHAS'	➤ The Korean Agency of HACCP Accreditation and Service		
'KCS'	➤ The Korea Customs Service		
'KIPO'	➤ Korean Industrial Property Office		
'KIPRIS'	➤ Korea Industry Property Rights Information Service		
'KITA'	➤ The Korea International Trade Association		
'KOTRA'	➤ Korean Trade Promotion Agency		
'KRW'	➤ Korean Republic Won		
'LAB'	➤ Liquor Appeal Board		
'LPRP'	➤ Logo for Products with Reduced Packaging		

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