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## **Korea - Republic of**

**Post:** Seoul

### **2017 Korea's Adjustment and Quota Tariffs Schedule**

**Report Categories:**

Trade Policy Monitoring

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**Report Highlights:**

On December 26, 2016, Korea announced an updated list of adjustment tariffs and voluntary tariff rate quotas (TRQs) for certain agricultural, forestry and fishery products, effective through calendar year 2017. These changes are expected to facilitate continued exports of U.S. agricultural products, particularly feed grains and food ingredients. Separately, an egg and egg products TRQ was published.

## Executive Summary:

### Adjustment Tariffs & Voluntary TRQs Announced for 2017

On December 26, 2016, the Ministry of Strategy and Finance (MOSF) announced an updated list of adjustment tariffs (Table I) and voluntary tariff rate quotas (TRQs) for certain agricultural, forestry and fishery products (Table II). These adjustment tariffs and TRQs are part of a special program run by MOSF to assist domestic industries. The revisions (I & II) are effective through calendar year 2017 and are expected to facilitate continued exports of U.S. agricultural products, particularly feed grains and food ingredients. According to MOSF, the domestic livestock industry is facing more and more pressure as FTA agreements have allowed imports to challenge domestic products. As such, the TRQs apply mainly to feed grains. The most notable changes are listed below.

In 2017, MOSF will manage adjustment tariffs on 13 selected agricultural and fishery items in consideration of price differences between domestic and imported goods, market share, and tariff differentials between similar products. The 2016 adjustment tariff level will continue to apply to several commodities, including steamed rice, Chinese vermicelli, oak mushroom, plywood, frozen squid, and frozen Alaskan Pollack, given MOSF's determination that these domestic industries continue to need protection. However, it also determined that several industries have improved their market competitiveness or reduced imports. In these cases, the adjustment tariffs will be lowered in 2017 by two to three percent compared to the previous year. Examples include Kochujang (hot pepper paste), salted or brined shrimp, and live eel.

MOSF also plans to manage 2017 voluntary TRQs to focus on export support, domestic price stabilization, and improved industrial competitiveness. Notably, the Korean government will continue its support for the feed grain complex (19 commodities), including maize, soymeal, barley, and oats. The stated goal is to reduce costs for domestic livestock farmers.

[The Korean language announcement can be found here:](#)

Separately, on January 3, 2017, MOSF announced a temporary TRQ for eggs and egg products from all origins that will be valid until June 30, 2017. MOSF cited the ongoing Highly Pathogenic Avian Influenza (HPAI) outbreak in Korea, which began on November 16, 2016, as the principle reason for the decision. This TRQ is 98,600 MT of eggs and egg products, which includes 35,000 MT for shell eggs (please see the table below). For more information, please see our recent gain report [KS1701](#).

HTS Code	Description	Duty	Quantity (MT)		
		TRQ 1/	For processing	For direct retail	Total
0407	21-0000 Fresh shell eggs	0	16,032	18,968	35,000
	90-0000 Smoked shell eggs	0	0	3,300	3,300
0408	11-0000 Dried yolk	0	600	0	600
	19-0000 Frozen yolk	0	12,400	0	12,400
	91- Dried whole egg (not in	0	2,600	0	2,600

	0000	shell)				
	99-1000	Frozen whole egg (not in shell) etc.	0	22,415	5,585	28,000
3502	11-0000	Egg white powder	0	1,400	0	1,400
	19-0000	Frozen egg white	0	15,300	0	15,300
<b>Total Quantity</b>				<b>70,747</b>	<b>27,853</b>	<b>98,600</b>

Source: Ministry of Agriculture, Food and Rural Affairs (MAFRA)

Table I. Adjustment Tariffs for CY 2017  
(Effective as of January 1, 2017)

HS No.	Commodity	WTO Bound Rate	Adjustment Tariff		
			2016	2017	Changes
0301 (Live)	Eels (Anguilla spp.) 0301 92	None	22 A/	20	-2
	Sea-bream 0301 99	None	28 B/	28 B/	-
	Sea bass 0301 99	None	28	28	-
0303 (Frozen)	Saury, 0303 59(Cololabis saira)	None	28	28	-
	Alaska Pollack 0303 67 (Theragra halcogramma) 0303 69	None	22	22	-
0306	Salted or brine shrimp 0306 95	None	35C/	32	-3
0307	Squid (Frozen) 0307 43	None	22	22	-
0709	0709 59 Oak mushroom	90 D/	40 D/	40 D/	-
0712	0712 39				
1902	Chinese vermicelli 1902 19	54 E/	26 F/	26 F/	-
1904	Steamed or boiled rice 1904 90	54	50	50	-
2103	Gochujang (red pepper paste), Other 2103 90	54	35	32	-3
2103	Mixed Seasonings 2103 90	54	45	45	-
4412	Plywood 4412 31 4412 32 4412 39 4412 99	None	10	10	-

Source: Ministry of Strategy and Finance (MOSF)

Note:

A/ or 1,531 Won/kg, whichever is greater.  
 B/ or 2,052 Won/kg, whichever is greater.  
 C/ or 236 Won/kg, whichever is greater.  
 D/ or 1,625 Won/kg, whichever is greater.  
 E/ or 427 Won/kg, whichever is greater  
 F/ or 206 Won/kg, whichever is greater

Table II. Voluntary Tariff Rate Quota (TRQ) Quantities and In-quota rates for January 1 – December 31, 2017 Period

HS No.	Commodity	Base Tariff Rate	Quota & Tariff Rate (%) 1/	
			2017 Tariff	2017 Quota (MT)
0301	Young eels ( <i>Anguilla</i> ), exceeding 0.3g and not exceeding 50g per unit, for aquaculture 0301 92	5	3	50
0404	Whey for feed Modified whey for feed Other whey for feed 0404 10	20	0	25,000
0714	Manioc chips for spirits 0714 10	20	10	135,300
0714	Manioc pellets for feed 0714 10	7	0	Unlimited
1003	Unhulled barley for feed 1003 90	5	0	50,000
1004	Oats for feed 1004 90	3	0	Unlimited
1005	Maize for feed 1005 90	3	0	10,000,000
1201	Soybean for oil crushing & oil cake for feed 1201 90	3	0	1,500,000
1207	Cotton seeds for feed 1207 29	2	0	Unlimited
1214	Lucerne(alfalfa) meal and pellets for feeding 1214 10	1	0	Unlimited
1214	Other lucerne(alfalfa) meal and pellets for feeding 1214 90	1	0	Unlimited
1214	1214 90	20	0	1,217,000
2308	Fodder roots and other vegetables for feed 2308 00	5		
1518	Animal or vegetable fat for feed (excludes dehydrated castor oil and epoxidised soya oil) 1518 00	5	0	30,000
1701	Sugar, Other; containing added flavoring or coloring matter 1701 91 1701 99	30	5	85,000
1702	Lactose and lactose syrup for feed 1702 11 1702 19	20	0	8,700
1703	Cane molasses for feed	3	0	15,000

	1703 10 1703 90			
2302	Wheat bran for feed 2302 30	2	0	56,000
2303	Beet-pulp for feed 2303 20	5	0	Unlimited
2303	Beet-pulp for mushroom farming 2303 20	5	0	20,000
2303	Brewing or distilling dregs & waste for feed 2303 30	2	0	Unlimited
2304	Soybean Oil-cake for feed 2304 00	1.8	0	2,451,000
2306	Oil cake of cotton seeds for feed 2306 10	2	0	Unlimited
2306	Oil cake of cotton seeds for mushroom farming 2306 10	2	0	10,000
2308	Cotton seed hulls for feed 2308 00	5	0	Unlimited
2308	Cotton seed hulls for mushroom farming 2308 00	5	0	10,000
2309	2309 90 Other Preparations of a kind used in animal feeding.	5	0	6,000
4104	Hides and skins of bovine 4104 11 4104 19 4104 41 4104 49	3	1	Unlimited
5205	Cotton yarn 5205 33	8	4	Unlimited

Source: The Ministry of Strategy and Finance (MSOF)

Note:

1/ January 1 – December 31, 2017 period