

# Report on Korean Manufacturers Producing Soju for Export to Australia.

Prepared for Trade Risk and Enforcement, Customs  
Enforcement Branch

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## Introduction

The misdeclaration of imported Soju into Australia has become a major issue, tilting the market and avoiding duties due to the Commonwealth. The regulatory issues and methods of abuse are virtually a rerun of the issues relating to the importing of cider and flavoured cider that occurred in the market a decade ago and are concisely illustrated in a news story of the time [linked here](#).

## Soju method of manufacture.

Fruit-flavoured Soju varieties, popularly exported from South Korea, are not fermented like wine. Here's a detailed explanation:

### Production Process of Fruit-Flavoured Soju

#### *1. Base Soju Production:*

- The base for fruit-flavoured Soju starts with traditional Soju, which is typically made through a distillation process. The primary ingredients are usually grains like rice, wheat, or barley, though modern Soju often uses starches from sweet potatoes or tapioca.
- The fermentation process of Soju involves converting these starches into sugars and then into alcohol. This fermented mash is then distilled to produce a clear, high-alcohol content spirit which is "reduced" by the addition of water to achieve the desired alcohol level.

#### *2. Addition of Fruit Flavours:*

- After distillation, fruit flavours are added to the base Soju, usually with a further water addition to lower the alcohol level. These flavours can come from natural fruit extracts, juices, or artificial flavourings.
- The flavoured Soju is then diluted to achieve the desired alcohol content, usually around 13% to 16%, making it lighter and more palatable compared to traditional Soju.

## Comparison to Wine Fermentation

#### *1. Wine Fermentation:*

- Wine is produced by fermenting the natural sugars in grapes (or other fruits) into alcohol. The fermentation process involves yeast converting these sugars into ethanol and carbon dioxide.
- The result is a beverage with a distinct flavour profile that depends on the type of fruit, yeast, fermentation duration, and aging process. All fermented wine contains at least trace amounts of sulphur and volatile acidity.

#### *2. Fruit-flavoured Soju vs. Wine:*

- Fruit-flavoured Soju does not undergo a fermentation process involving fruits. Instead, the fruit flavour is introduced post-distillation, which means the primary alcohol content is derived from the initial distillation of the base ingredients (grains or starches).
- The flavouring process for fruit-flavoured Soju is more akin to blending or infusing rather than fermentation.

## Regulatory and Quality Considerations

### 1. Regulatory Classification:

- In South Korea, fruit-flavoured Soju is classified under distilled spirits rather than wines or fermented beverages.
- The addition of fruit flavours does not change the fundamental production process or the regulatory category of Soju.

### 2. Quality and Taste:

- The quality of fruit-flavoured Soju depends on the base Soju and the type and quality of the fruit flavourings used.
- Producers may use natural fruit extracts to achieve a more authentic taste, while others may rely on artificial flavourings for consistency and cost-effectiveness.

## Popular Varieties and Market Trends

### 1. Popular Flavours:

- Common fruit flavours in Soju include peach, grapefruit, apple, blueberry, and green grape. These flavours are chosen to appeal to younger consumers and those who prefer sweeter, milder alcoholic beverages.
- The popularity of these varieties has driven innovation and diversification in the Soju market to include non-fruit flavours such as yogurt and chocolate.

### 2. Consumer Preferences:

- Fruit-flavoured Soju has become a trendy choice among younger demographics and is often enjoyed in social settings. Its lower alcohol content and sweet taste make it a popular alternative to traditional Soju and other stronger spirits.

### 3. Market Expansion:

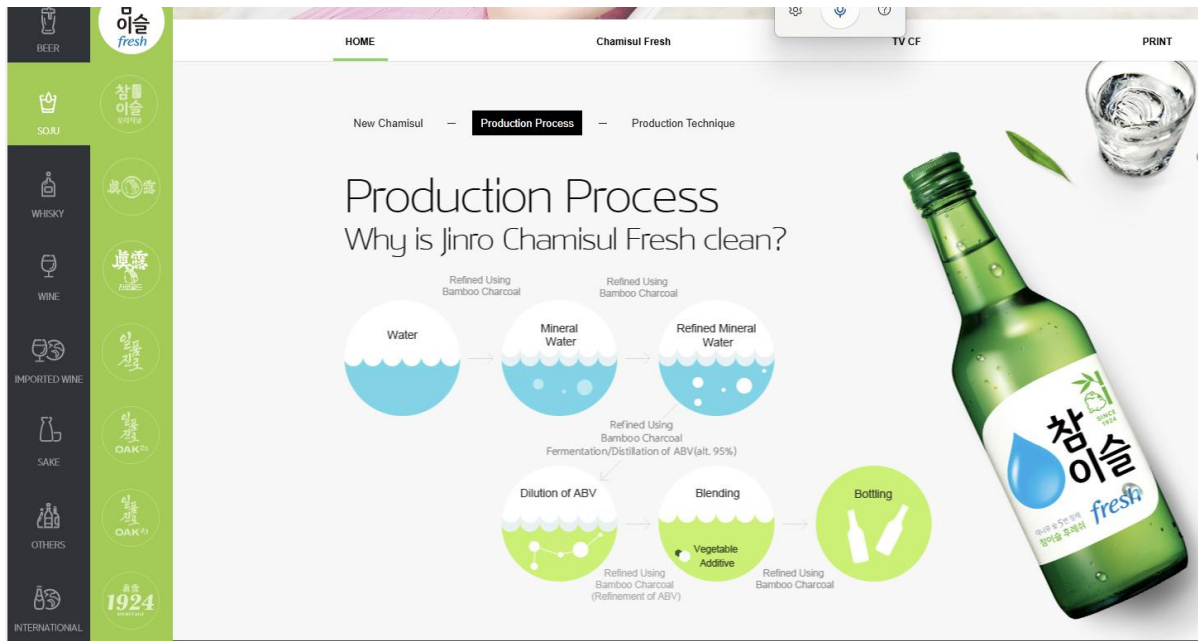
- The success of fruit-flavoured Soju in South Korea has led to increased exports and interest in international markets, where it is marketed as a unique and approachable Korean alcoholic beverage.

## Production Summary

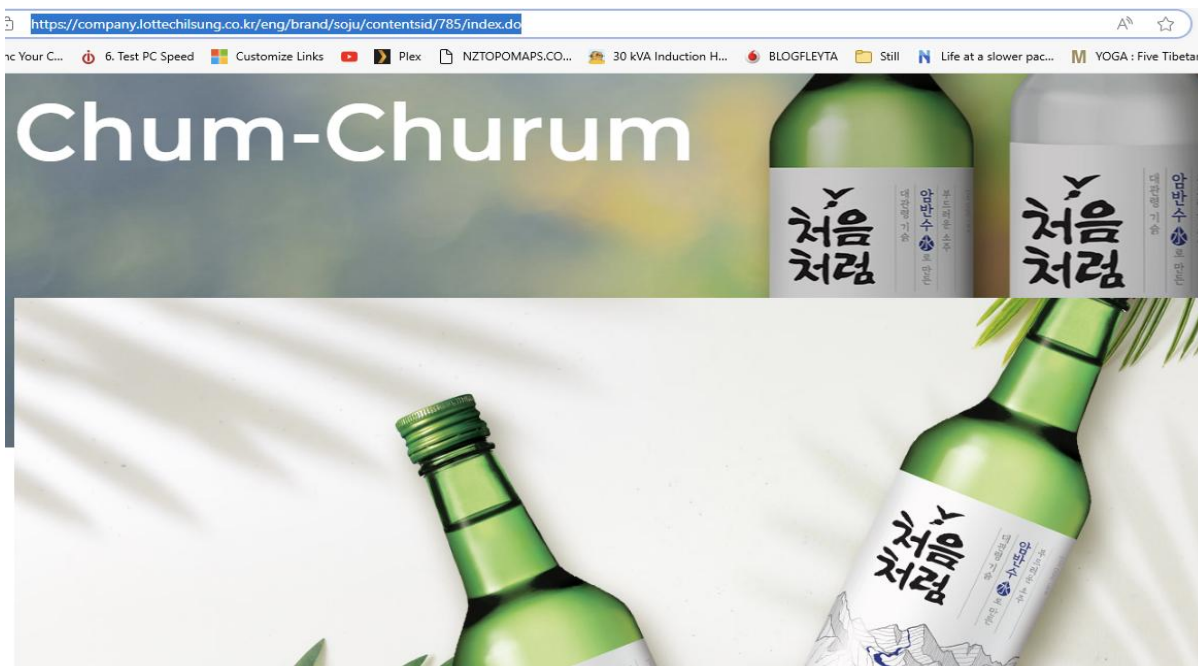
Fruit-flavoured Soju, despite its fruity flavours, is not fermented like wine. It starts as a distilled spirit from grains or starches, with fruit flavours added after distillation. This process differentiates it from wine, which derives its alcohol content directly from the fermentation of fruit sugars. The regulatory framework in South Korea also classifies fruit-flavoured Soju under distilled spirits, reflecting its production method rather than its flavour profile. Marketing materials taken from these manufacturers stressed the purity of the water which is added to the product. In Australia, water is not a permitted addition to fruit wine other than that minimum needed in order to incorporate other ingredients. **It may not be added to dilute the product or reduce the alcohol level; Australia New Zealand Food Standards Code: Standard 4.5.1 and A New Tax System (Wine Equalisation Tax) Act 1999: 31.4**

Examples from the manufactures websites highlighting water additions:

Jinro; [HITEJINRO](#)



Lotte: Chum-Churum; [Chum-Churum | Lotte Chilsung Beverage](#)



This liquor made with alkaline water has brought a whirlwind of popularity among liquor lovers.

Needless to say, water, which accounts for 80% of soju, is an important factor influencing the flavor and quality of soju products.

Alkaline water, with particles that are small and rich in minerals, gives a unique smooth flavor going down.

Export only flavoured Chum-Churum; [Liquor | Lotte Chilsung Beverage](#)

# CHUM CHURUM SOONHARI BLUEBERRY



The original flavored soju



Types of alcohol | diluted soju | ABV 12% | Release 2020

Korea Appliz manufacture Chateul Soorok [Appliz Korea \(applewine.co.kr\)](http://applewine.co.kr)

Clearly Yogurt is not a fruit, and the bottles are actually 360mL not the 375mL stated on the label

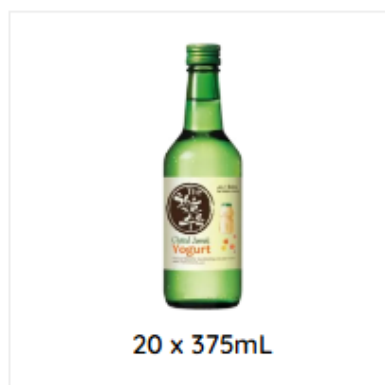
The website <https://www.chateulsoorok.com/> brings up only a blank page.



## Chateul Soorok Yogurt Soju 375mL

**\$12.99** each

### Related



### Description

Chateul Soorok Yogurt Soju is a unique and creamy \ combines the smoothness of soju with the tangy and

### Product Details

Alcohol By Volume

14%

### Found in

SOJU

Analyte (units)	Chateul Soorok Peach	Chateul Soorok Lychee
Glucose + Fructose (g/L)	52.9	43
Glucose (g/L)	27	22.2
Fructose (g/L)	25.9	20.8
Reducing sugar (g/L)	51.4	40.6
Sucrose Rebelein (g/L)	20.3*	31.6*
Sugar content total (g/L)	71.7	72.2
Free SO <sub>2</sub> (mg/L)	<3	<3
Total SO <sub>2</sub> (mg/L)	<3	<3
Sorbic acid (mg/L)	N.A.	N.A.

The naturally occurring sulfur dioxide in apple wine usually ranges from 5 to 20 ppm. These levels can vary depending on several factors, including the type of yeast used, fermentation conditions, and the sulfur content of the apples themselves.

The lack of SO<sub>2</sub> shows that this is not a fermented product

## Muhak Co.LTD. (Good Day) [muhak.co.kr](http://muhak.co.kr)

[https://www.muhak.co.kr/?page\\_id=5133](https://www.muhak.co.kr/?page_id=5133)

6. Test PC Speed Customize Links Plex NZTOPOMAPS.CO... 30 kVA Induction H... BLOGFLEYTA Still Life at a slower pac... YOGA : Five Tibetan...

Introduction of Uneducated ▾

History of Uneducated

Social Contribution

PR Center ▾

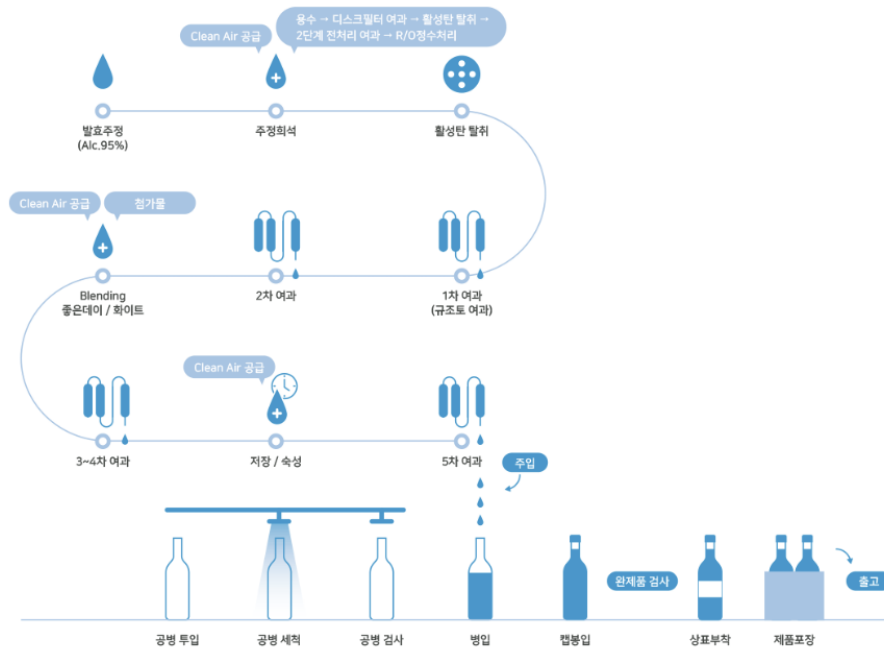
Customer Support ▾



advertisement

Manufacturing  
Process

Character  
Introduction

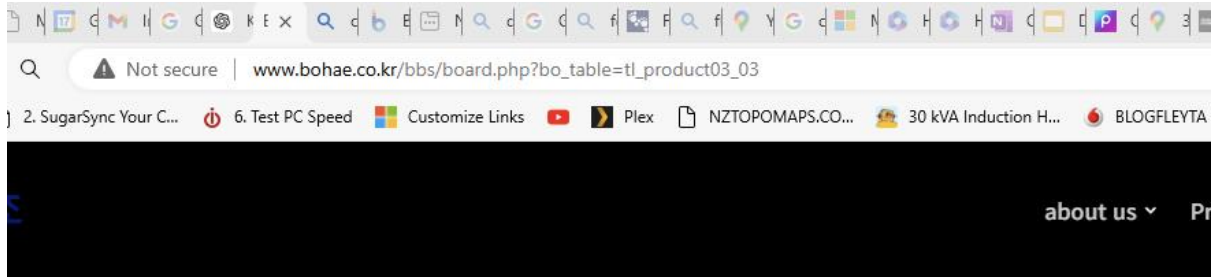


## Good Day Choc-Mint





## Bohae Brewery; [Fruit Soju for Export > Brands for Export | Bohae Brewing Co., Ltd.](#)



## Products for export



Fruit sochu for export



Maitake wine

Naturelica are the suspected manufacturer of Charm Malgum for SPLA, etc.

Experience The Harmonious Blend Of Chungju Apples And Pristine Water! [naturelica](#)



Youtube video from a Soju manufacturer stating that their Soju is made with “highly purified ethyl alcohol”; <https://www.youtube.com/watch?v=0ohGmi93tUM>

## Method of checking the manner of manufacture via industry accreditations.

Companies selling imported products into the National Retail chains in Australia are typically required to have ISO 9001, BRC, or similar, Accreditation.

### ISO9001 Certification

If the company is ISO 9001 certified, the premises would necessarily be inspected as part of the certification process, and the processes involved would be documented. ISO 9001 is a quality management system standard that requires a company to demonstrate its ability to consistently provide products and services that meet customer and regulatory requirements. This involves several key components:

**1. Documentation:** The company must maintain detailed documentation of its quality management system (QMS), including processes, procedures, and responsibilities. This documentation ensures that there is a clear and consistent approach to quality management across all premises.

**2. Internal Audits:** Regular internal audits are conducted to verify that the QMS is effectively implemented and maintained. These audits cover all premises involved in the company's operations.

**3. External Audits:** An accredited certification body conducts external audits to assess the company's compliance with ISO 9001 requirements. These audits include inspections of all relevant premises to ensure that the processes documented in the QMS are being followed.

**4. Process Approach:** The certification requires a process approach to quality management. This means that all processes involved in the production and service delivery are identified, documented, and managed. This includes processes at all premises where operations are conducted.

**5. Continuous Improvement:** ISO 9001 emphasizes continuous improvement. The company must continually monitor, measure, and improve its processes. This includes regular review and updating of documentation and practices at all premises.

By following these requirements, a company ensures that its quality management system is consistently applied across all locations, thereby maintaining high standards of quality.

*Additionally, this accreditation affords regulatory agencies the opportunity to ensure that products and processes conform with the claims made by the company, or client companies dealing in their products. The Korean manufacturers of Soju products are typically large corporates with extensive portfolios of products including things like milk, beer, and even Pepsi. The flavoured Soju export market makes up only a small portion of their business, and the Australian export market only a small proportion of that. This being so, it can be expected that the manufacturers will answer fully and honestly when questioned on their production methods as they have a great deal to lose if they are found to have breached or falsified their externally audited quality assurance certifications.*

## Retailers and wholesalers

Clearly the dealings in mis-declared Soju products has been assisted by a large number of retailers and wholesalers, including major national chains. All of these companies and individuals, particularly the larger corporates who employ their own specialist tax advisers, either knew or should have known that they were assisting an illegal trade. Perhaps the most effective strategy in discouraging this sort of trade is to ensure that the retailers that ultimately facilitate it do not profit by it.

Penalties for retailers and wholesalers; [TA 2021/1 | Legal database \(ato.gov.au\)](#)