

Prospects of Christmas tree market in Korea

Korea Rural Economic Institute

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1. Types of Christmas tree in Market

Artificial trees

- Three types of artificial trees sold on the market.



PVC tree

- Represent Yew tree.
- Thick leaves.
- Material is PVC film.



Green pine tree

- Represent Pine tree.
- Material is Fishing line.



Snow pine tree

- Using white plastic material, express snow on the Green pine tree .

※ 60CM-180CM Various length. Umbrella shape. 1.2m(30 \$)

1. Types of Christmas tree in Market



Real trees



Korean fir

- Most used as Christmas tree.
- Unit price is high due to slow growth.
- 1.2m(100\$)



Fir tree

- Conical shape.
- Grow until 30m.
- Recently the unit price has risen due to lack of saplings
- 1.2m(50\$)



Yew tree

- Conical shape.
- Dense leaves.
- Easy to grow.
- Popular as landscaping tree.
- 1.2m(60\$)



Spruce Konica

- Strong against pests and diseases.
- Good shape without pruning.
- Dense leaves.
- 1.2m(70\$)

1. Types of Christmas tree in Market



Real trees



Colorado spruce

- Turquoise leaf with white color.
- Popular with landscape tree, Acer
- 50cm(30\$)



Emerald green arborvitae

- Conical shape.
- Strong against cold and pollution.
- Used in fence, garden and maze park.
- 1.2m(40\$)



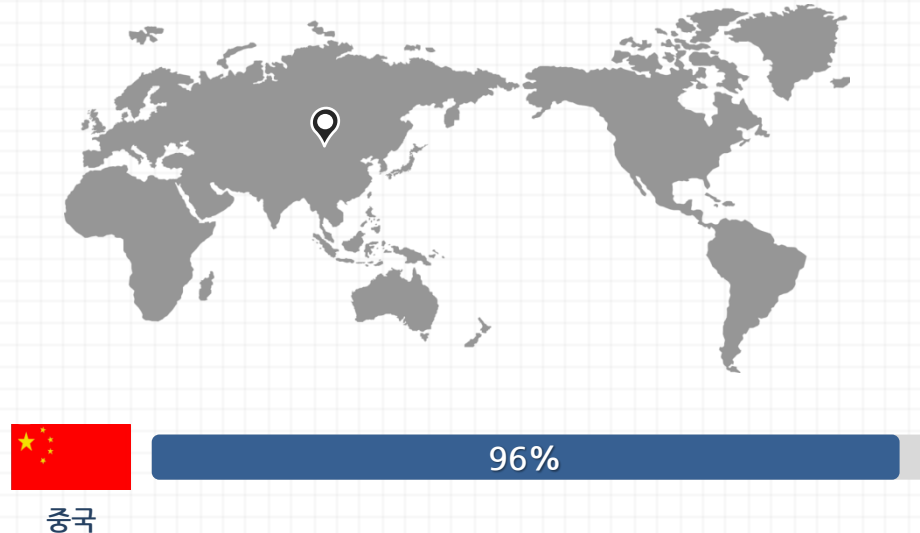
Japanese umbrella pine

- Good shape without pruning.
- Unit price is high due to it's hardness of obtain seeds and extrim slow growth.
- 1.2m(300\$)

2. Domestic market status of Christmas tree



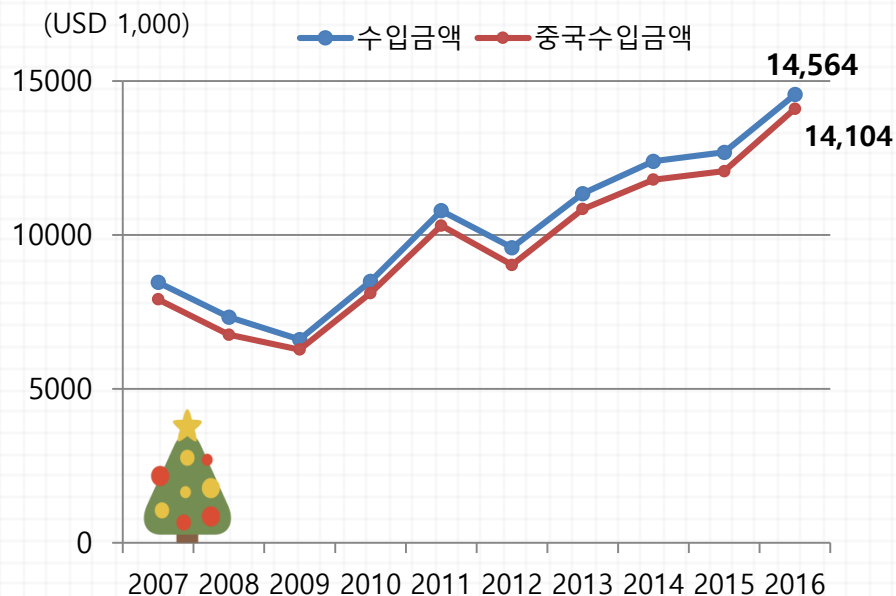
Import volume of Christmas festival goods(artificial tree)



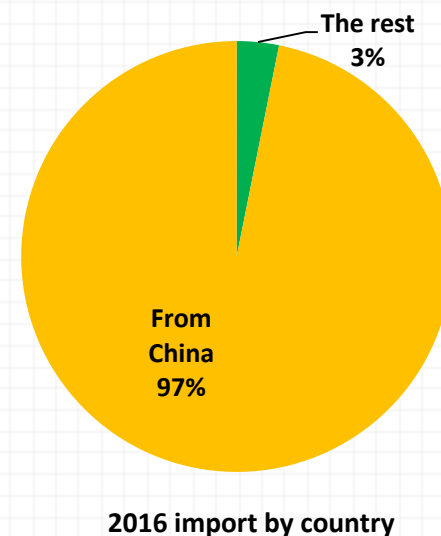
- The largest origin country of import in '13 was China, accounting for 96% total imports.
 - September to November is the period of major imports, account for around 90% of total imports.
 - Total import price and import volume are increasing every year.
 - The domestic Christmas market is on the increase.
- (refers to the Korean customs office's Christmas import trend)

2. Domestic market status of Christmas tree

Domestic consumption of Christmas tree(artificial tree imports)



Source: Korea Customs Service 「Import and export trade statistics」.



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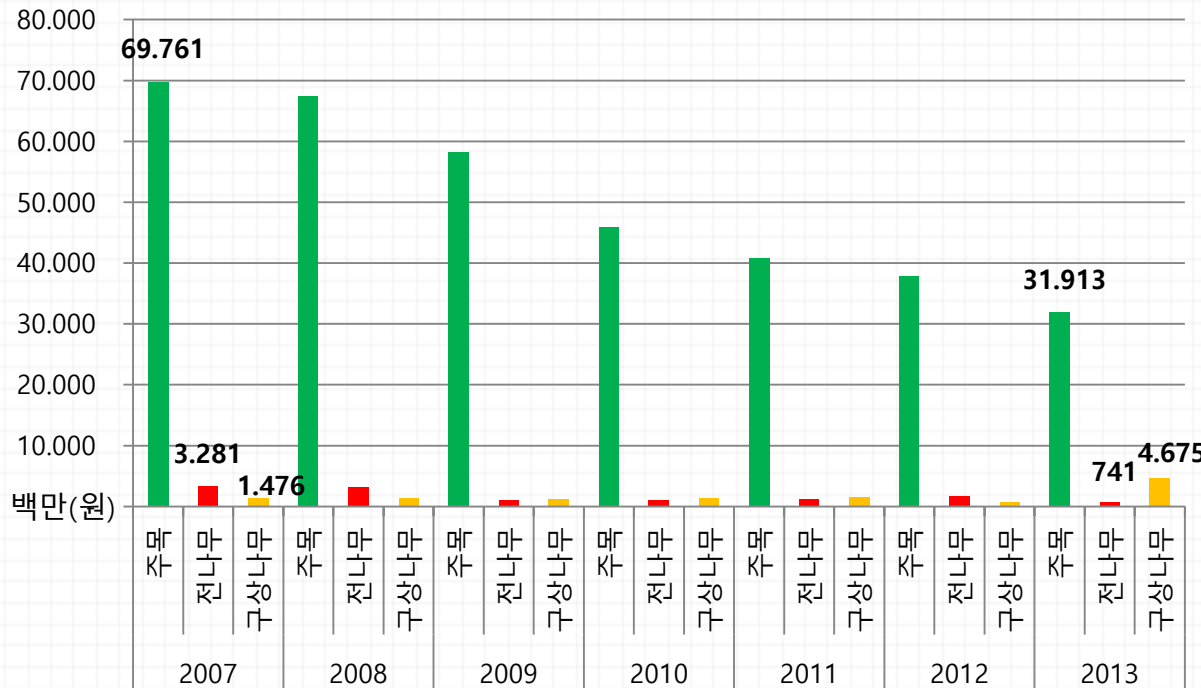
Changes in the amount of artificial tree imports

- ✓ Artificial tree imports in 2016 : 14,564 thousand dollar. (15% increase from the previous year)
- ✓ The amount of tree imports from china accounts for 97% of total imports in 2016.
- ✓ Artificial tree consumed in domestic : Minor Domestic production, Most imported and produced in China.

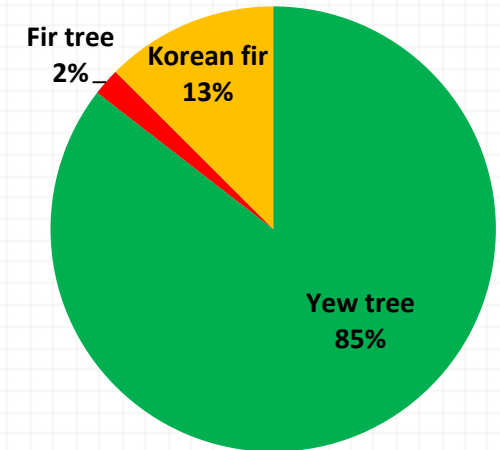
2. Domestic market status of Christmas tree



Domestic production value of Christmas tree(Real trees)



Source: Korea Forest Service 「Forest product survey」.



2013 production ratio of real trees

Source: Korea Forest Service 「Forest product survey」.

- ✓ Real tree production value in 2013: 37,329, million won. (main items : Yew, Fir, Korean fir basis)
- ✓ The production of real tree has decreased since 2007.
- ✓ Production shares : Yew tree 85%, Korean fir 13%, Fir 2%

2. Domestic market status of Christmas tree



Domestic consumption of Total Christmas tree

Unit : million \$

	2013	2016
Domestic production	37.3	29.8
Import	13.2	16.9
Export	1	1
Domestic consumption	50.4	46.6

Domestic consumption in 2016 is estimated.

- ✓ Domestic consumption of Christmas tree increased from 20million \$ in 2006 to 46.6 million \$ in 2016.
- ✓ - decline in domestic production due to recession and implementation of Kim Young-Ran law.

2. Domestic market status of Christmas tree



Growing demand for Christmas tree using Real tree



Household

- real tree demands are increasing due to health concerns, i.e. Psychological relief, air purification, interior design.
- Plants in a pot without cutting the base



**US force
Residence**

- The number of US force household is 28500 in 2016.
- Number of US force household are constant recent years



DIY

- Development of DIY culture.
- DIY with small saplings is getting popular.
- Sells DIY supplies in Handicraft Workshop and flower shop.

2. Domestic market status of Christmas tree



Growing demand for Christmas tree using real tree

Church

- There are 55,767 domestic Christian groups and churches.
- Buy a large tree for Christmas events.
- Often they use real trees

Café, Shop, Hotel

- Increase of shops, cafes, and hotels using real trees for decorating purpose

Foreign residents

- · Number of foreign residents are increasing 9.26% annually for last 5 years and reached more than 2 millions.

2. Domestic market status of Christmas tree



Growing demand for Christmas tree using real tree



2. Domestic market status of Christmas tree



Purchase Christmas tree of ordinary household

- Poinsettia



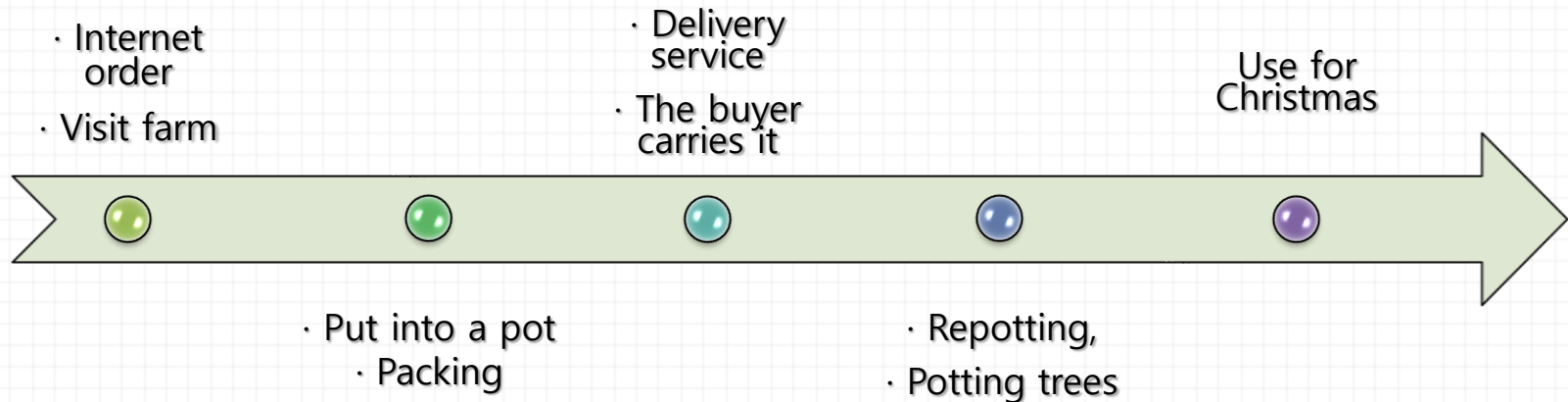
- Reduced housing space due to increase in single households.
→ Increased preference for smaller Christmas items.
- Sales of 1.2m small trees and poinsettia increased..
- average price of Poinsettia is 10\$

2. Domestic market status of Christmas tree



Purchase Christmas tree of ordinary household

· Real tree



- In case of small trees, sell it as pot seedling.
- Seedlings over 1m are packed with soil and delivered by the seller.

2. Domestic market status of Christmas tree



D. Purchase Christmas tree of ordinary household

· Real tree



Small sapling : pot seedling



Sapling over 1m : packing with soil



· Trees that are sold as Christmas trees in households are Emerald green arborvitae, Spruce konica and Yew. Because they are cheap and easy to grow

3. Overseas cases of Christmas tree



A. Case of Christmas tree in United States

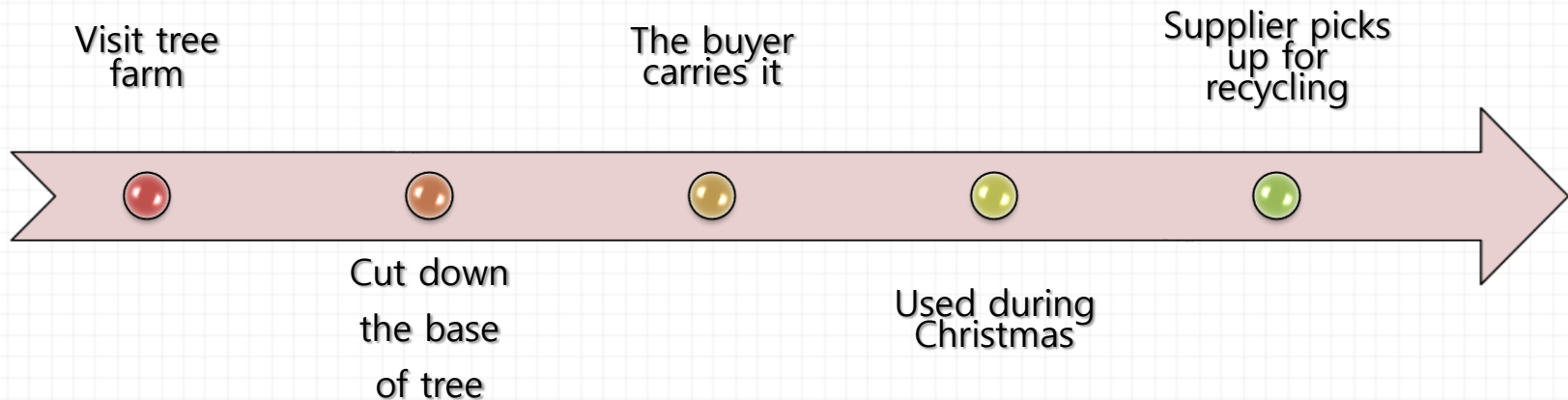
- In 2015 12.5million artificial trees and 25.9million real trees are sold in the United States
- According to the American Christmas tree association(ACTA), 78% of US households will make Christmas tree in 2016.
- The total cost of buying real tree is 1.32 billion dollar in 2015. It's growing annually
- The best selling height of saplings is 6 to 8 feet.



3. Overseas cases of Christmas tree



A. Purchase and use of real tree in United States



- American consumers cut down the base of tree to buy it.
- At the end of the Christmas period, tree is placed in front of the house.
- Tree farms and recyclers pick up the tree.
- Recently, tree rental company has been created to reduce abandoned tree.

3. Overseas cases of Christmas tree



Case of Christmas tree in Japan



- Christmas in Japan is not a holiday.
- Commercial aspect is strong, such as decorating big Christmas trees at large shopping mall and selling Christmas goods.
- In ordinary households, potted real tree, wreath and artificial tree are placed.

4. Application plan of real tree



Comparison of real trees and artificial trees

	Artificial tree	Real tree
Strength	Convenience (maintain, purchase)	Eco-friendly (air purification) Healthier
	Cheap (repetitive use)	Psychological stability
Weakness	Environmental pollution (vinyl chloride, plastic)	expensive(not repeatable)
	Risk of fire	Difficult to maintain (fallen leaves)
	Not good for health (chemicals)	

4. Application plan of real tree

Necessity and application plan of real tree

- Environmental pollution caused by artificial trees.
(Material is lead, PVC, plastic and does not decay.)
- Increasing tree growing area can decrease carbon dioxide.
(1000 fir = 5T absorption of carbon dioxide per year)
- Expansion of domestic Christmas market and increase demand for real tree.
- Increase of tree growers can create more jobs.
(10,500 households in the United States grow trees and it creates 100,000 jobs)

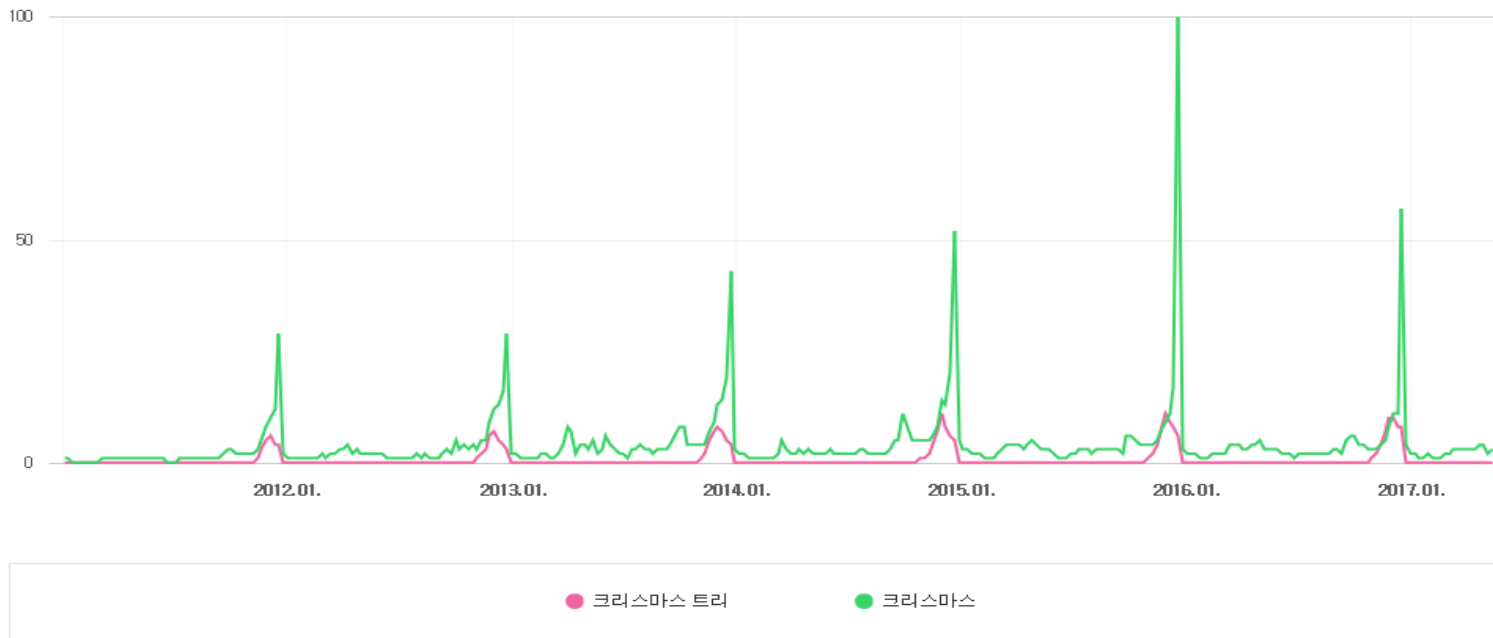


- Produce small saplings (7 years old)
It is preferable to sell them in the form of pots.



Big Data Analytics - Christmas tree

The Naver(major Internet portal) Search



- Indicators in this graph are based on keywords of high frequency from Naver website.
- All of the figures are expressed in relative value(0-100).
- The number of Keyword 'Christmas' and 'Christmas tree' increased sharply in December to its highest level.
- The overall frequency of keywords has risen steadily in recent years.

→ Christmas tree has a feature easily influenced by season.

Big Data Analytics - Christmas tree

Web crawling analysis



- Web crawling is the processing a web document or text file extracting information out of it using software tool. (e.g. Python, RStudio, Java)
- Tree shaped word cloud extracted from 'Naver' website news in 2016. (Keyword: Christmas, Christmas tree)
- The keywords 'Christmas', 'Korean Fir', 'Fir', 'Tree' are the most frequently searched during the period.
- It represents demand for real trees as Christmas trees are increasing

