

THREE NOCTURNES OF KOREA'S FTAS: KOREA-US, KOREA-EU AND KOREA- CHINA FTAS

Irina A.Korgun

*Hankuk University of
Foreign Studies, Seoul,
Korea*



FTA ECLIPSE: KOREA IS ONE
OF THE MOST
ACTIVE (AGGRESSIVE) NATIONS
TO PARTICIPATE IN FTA
NEGOTIATIONS (HAN, 2011)

RESEARCH QUESTION

If we take one country and have a look at its FTAs with different partners how different would those FTAs?



STRUCTURE

I. Korea's FTA policy

1-1 Internal structure of FTAs

1-2 Schedules

II. Trends in Korea's trade with FTA partners

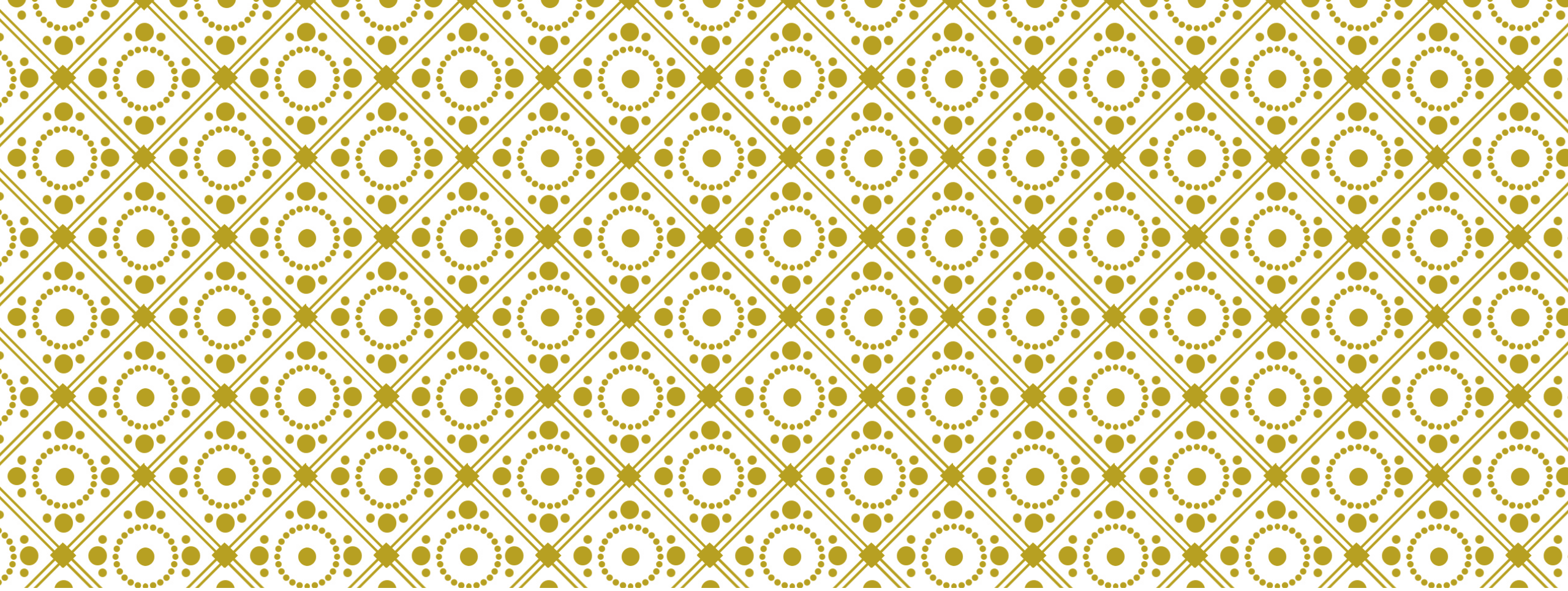
III. Concluding remarks

THREE AREAS

How national economic interests get reflected in FTA commitments?

Whether it is possible for a country to have similar FTAs with different partners?

How can earlier agreements influence commitments made in agreements concluded after?



KOREA FTAS POLICY



KOREA'S FTA POLICY

Currently, Korea has eleven ratified agreements, five more wait for ratification and three are in the process of negotiation (FTA Korea: www.fta.go.kr).

It is the only state that managed to negotiate FTAs with world's biggest economies.

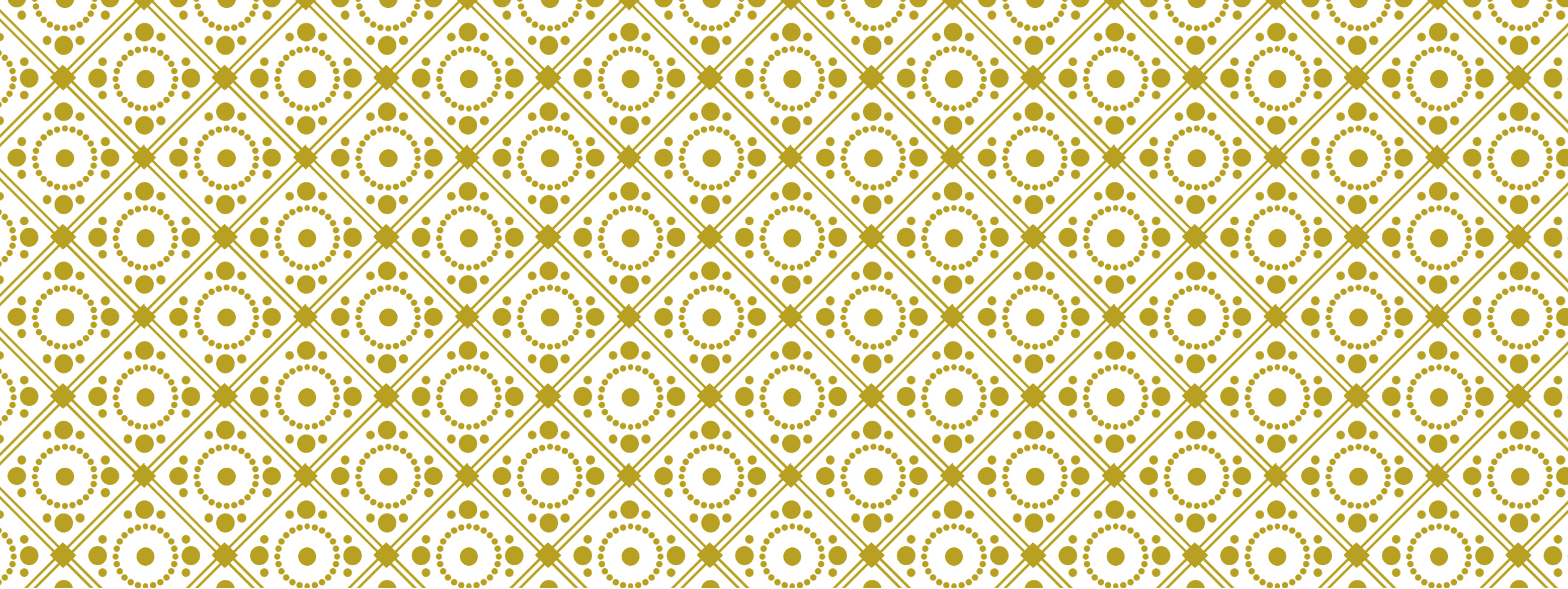
By concluding FTAs with US, EU and China Korean leadership's main goal was to support economic growth and unlock new opportunities for export expansion.

1-1 INTERNAL STRUCTURE OF FTAS

Korea-US 24 chapters	Korea-EU 15 chapters	Korea-China 22 chapters
<p>Initial provisions National treatment and market Access for goods Agriculture Textiles and apparel Pharmaceuticals and medical Devices Rules of origin and origin Procedures Customs administration and trade facilitation Sanitary and phytosanitary Measures Technical barriers to trade Trade remedies Investment Cross border trade in services Financial services Telecommunications Electronic commerce Competition-related measures Government procurement Intellectual property rights Labour Transparency Environment Institutional provisions and dispute Settlement Exceptions Final provisions</p>	<p>Objectives and general definitions National treatment and market Access for goods: - elimination of customs duties - electronics - motor vehicles and parts - pharmaceutical products and medical devices - chemicals Trade remedies: -agricultural safeguard measures Technical barriers to trade Sanitary and phytosanitary measures Customs and trade facilitation Trade in services, establishment and electronic commerce: -understanding on the cross-border supply of insurance services -understanding on Korea's postal reform -understanding concerning specific commitments on telecommunication services -list of commitments -MFN treatment exemption -the additional commitment on financial services Payments and capital movements Government procurement -BOT contracts and public works concessions Intellectual property: -geographical indications for agricultural products and foodstuffs -geographical indications for wines, aromatised wines and spirits Competition Transparency Trade and sustainable development: -cooperation on trade and development Dispute settlement: -mediation mechanism for non-tariff measures -rules of procedures for arbitration -code of conducts for members of arbitration panels and mediators Institutional, general and final provisions Protocol on RoO Protocol on MAA Protcol on CCP</p>	<p>Initial provisions and definitions National treatment and market access for goods Rules of origin and origin implementation: - -procedures -product specific rules of origin Customs procedures and trade facilitation Sanitary and phytosanitary measures Technical barriers to trade Trade remedies Trade in services: -co-production on film -co-production on TV drama, documentary and animation for broadcasting purposes Financial services Telecommunications Movement of natural persons Investment Electronic commerce Competition Intellectual property rights Environment and trade Economic cooperation Transparency Institutional provisions Dispute settlement Exceptions Final provisions</p>

TARIFF COMMITMENTS UNDER KOREA- CHINA FTA

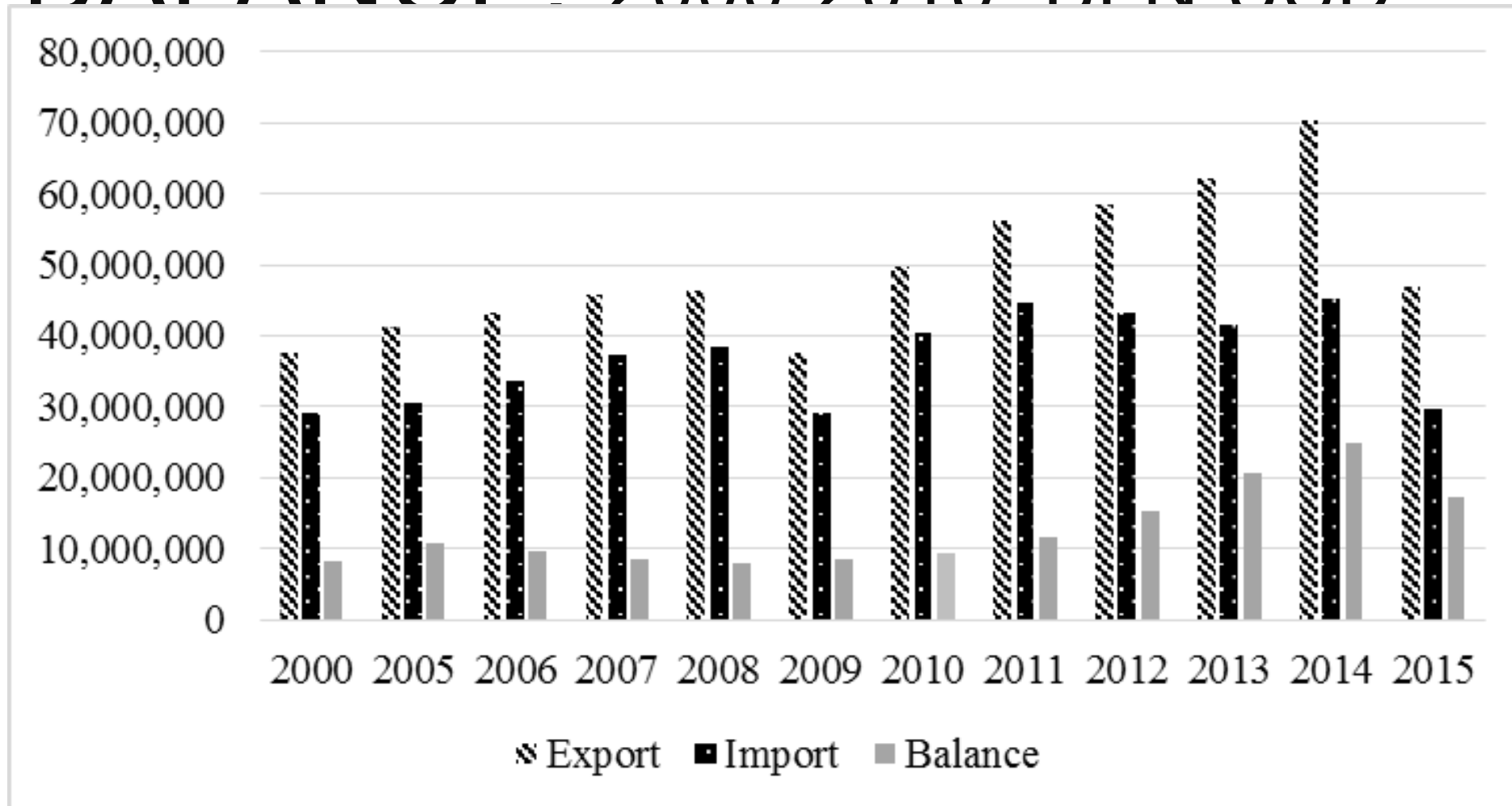
		Korea		China	
		% of tariff lines	% of import volume	% of tariff lines	% of import volume
ordinary goods	immediate	50	52	20	44
	5 years	12	4	20.5	3.5
	10 years	18	21	31	19
	total	79	77	71	66
sensitive goods	15 years	9	10	13.5	13
	20 years	4	4	6	5.6
	total	13	14	19	19
very sensitive goods	not included	7	5	8	9
	partial reduction	0.7	3	1.6	6
	TRQ	0.2	0.7	-	-
	total	8	9	9	15
level of liberalisation		92	91	91	85



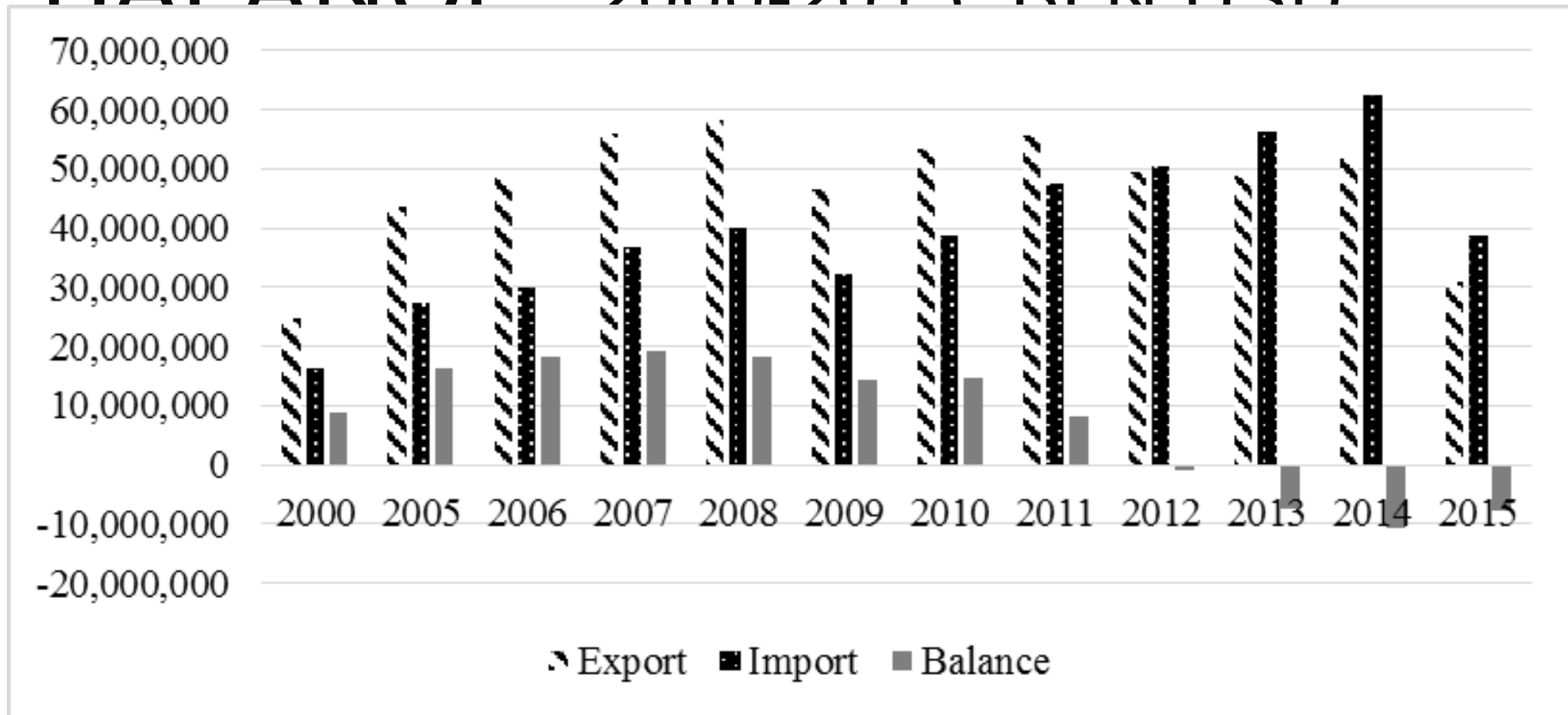
II. TRENDS IN KOREA'S TRADE WITH FTA PARTNERS



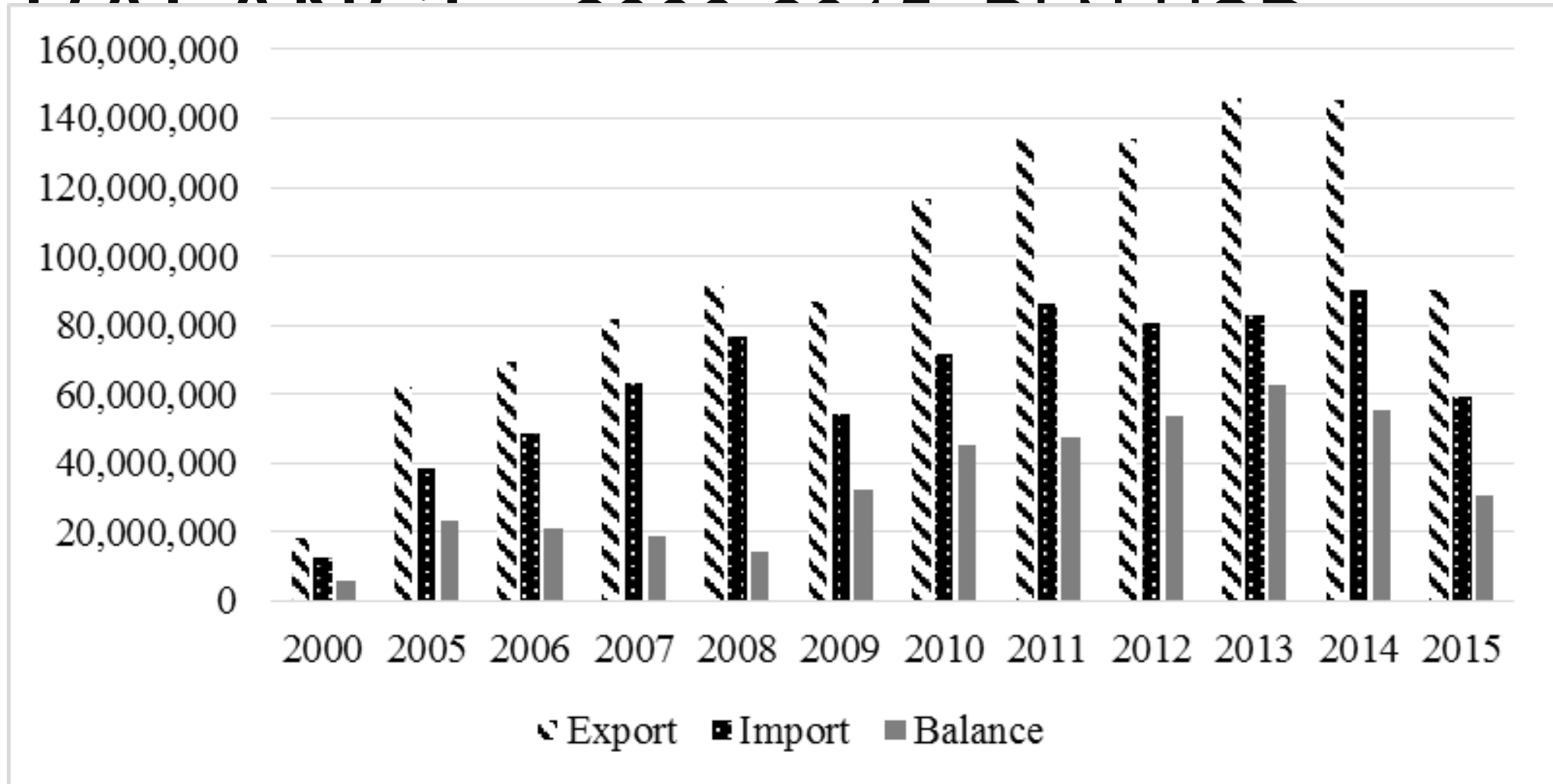
KOREA'S TRADE WITH US: EXPORT, IMPORT AND TRADE BALANCE - 2000-2015 BIL N USD



KOREA'S TRADE WITH EU: EXPORT, IMPORT AND TRADE BALANCE 2000-2015 BIL USD



KOREA'S TRADE WITH CHINA: EXPORT, IMPORT AND TRADE BALANCE



CONCLUDING REMARKS

Drawing from Korea's experience, this brief discussion demonstrates

- a versatile nature of FTA's. FTA's prove to be a very flexible tool that can be catered to the needs of negotiating parties.

- FTAs allow to match obligations to the development level of a trading partner. Because countries vary in the type of economies and level of development in each sector of the economy, it is unlikely that a country will have very similar FTAs even though those FTAs were conditioned by same needs and lobbied for same interest groups.

- All these factors do not exclude influence of FTA's on one another. Moreover, earlier FTAs seem to influence the content of later ones.