

PM ANNOUNCES HISTORIC FREE TRADE AGREEMENT WITH THE REPUBLIC OF KOREA



Prime Minister Stephen Harper, joined by James Moore, Minister of Industry, and Ed Fast, Minister of International Trade, meets with Park Geun-hye, President of the Republic of Korea, at the Blue House during his visit to the Republic of Korea.

Seoul, Korea

11 March 2014

Introduction

Prime Minister Stephen Harper today announced that Canada and the Republic of Korea have concluded negotiations for a bilateral free trade agreement that will significantly boost trade and investment ties between the two countries, creating jobs and opportunities for Canadians in every region of the country.

The Free Trade Agreement, Canada's first with an Asian market, will create thousands of new jobs in Canada and provide Canadian businesses and workers with a gateway to Asia, enhancing their global competitiveness. It will

also level the playing field for Canadian companies competing with Korea's other trading partners, including the United States and the European Union, who already have free trade agreements with Korea.

Canadian consumers will benefit from a greater variety of goods at lower prices, as the Free Trade Agreement will cover virtually all aspects of Canadian-Korean trade: goods and services, investment, government procurement, environment and labour cooperation, and other areas of economic activity.

The Agreement eliminates tariffs and reduces non-tariff measures that hinder market access for Canadian exporters and investors in Korea, bringing transparency and predictability to the business environment. Once the Agreement is fully implemented, Korea will remove duties on 98.2 per cent of its tariff lines, covering virtually all of Canada's imports.

The Canada-Korea Free Trade Agreement will benefit a wide range of sectors, including industrial goods (e.g. chemicals and plastics, information and communications technology, aerospace, metals and minerals, etc.), agricultural and agri-food products, wine and spirits, fish and seafood, and wood and forestry products. The Agreement will also benefit Canada's world-class services sector and strengthen opportunities and protection for two-way investment.

The Agreement is informed by public consultations, and reflects the views and priorities of Canadian businesses, provinces and territories, and other stakeholders. It has the support of Canadian businesses and the associations that represent them.

Quick Facts

- Korea is a key market for Canada – it is the world's 15th-largest economy (GDP of \$1.1 trillion), and the fourth-largest in Asia, with a population of 50 million people.
- Korea is already Canada's seventh-largest merchandise trading partner and its third-largest in Asia (after China and Japan). Total merchandise trade between the two countries reached approximately \$10.1 billion in 2012.
- Tariff elimination will be particularly advantageous for Canadian businesses, as average Korean tariffs are three times higher than Canada's.
- The U.S. and the EU already enjoy free trade agreements with Korea. The CKFTA will level the playing field for Canadian exporters and investors.
- Korea's economic growth in the last 30 years has been remarkable. Since 1980, Korea's GDP has grown more than six-fold and experienced an average annual growth rate of 6.5 per cent.
- Our Government is undertaking the most ambitious trade agenda in Canadian history. In less than seven years, Canada has concluded free trade agreements with nine countries and is negotiating with 30 more. A notable achievement in this effort was the historic agreement in principle with the 28-nation European Union, announced in October 2013. With 500 million people and an annual economic activity of almost \$17 trillion, Canada now has access to the world's largest economy.

Quotes

"Our Government recognizes the importance of opening new markets for Canadian goods, services and investment which is why we launched the most ambitious trade agenda in Canadian history. The Canada-Korea Free Trade Agreement will create jobs and open the door to the lucrative Asia-Pacific market for Canadian businesses. The Canada-Korea Free Trade Agreement not only reflects the input of all sectors of the economy, provinces and territories, it will deliver significant benefits for Canadians from coast to coast to coast." – *Prime Minister Stephen Harper*

"The Canada-Korea Free Trade Agreement will create jobs and opportunities for Canadians across the country. Not only will it benefit Canadian consumers, it is good news for farmers, the aerospace industry and the chemicals sector, to name a few. Canadian businesses, investors and consumers in every province stand to benefit significantly from the increased market access that the Agreement will provide." – *Prime Minister Stephen Harper*

