

Title Outcomes of the Sixth Round of Official KORUS FTA Negotiations
Date 2007-01-19 Speaker

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1. The sixth round of official negotiations between Korea and the United States for conclusion of a free trade agreement, held at the Shilla Hotel in Seoul from January 15 to 19, came to an end today.

2. Although no progress was made on the key issues relating to trade remedies, autos, and pharmaceuticals in this round of talks, the two sides were able to exercise flexibility in other sectors and succeeded in reaching some progress in negotiating groups such as market access and financial services.

3. In this round of talks, the Korean and U.S. delegations carried out a series of discussions at the chief negotiator level and also held small-scale meetings between the chief negotiators and the leads of some negotiating groups. In these separate meetings, the two sides checked on the pace of the negotiations and discussed how to reach compromise on the key pending issues. However, large gaps in opinion still remain on the major pending issues. Thus, to accelerate the pace of negotiations, it appears that both sides will have to put their best efforts into building up momentum for the talks.

4. In the market access negotiations, the two sides did not reach much progress in the overall tariff offers, as the U.S. side did not bring to the table an improved offer on autos, which is an area of priority interest for Korea. Nonetheless, exercising flexibility on other items, the U.S. and Korea moved tariff lines worth USD 1.89 billion (457 tariff lines) and USD 1.42 billion (569 tariff lines) from the mid-term (3, 5, or 10 years) to immediate elimination basket, respectively. They also agreed to work together on moving 50 percent of the tariff lines in their respective "undefined" basket to the ten-year elimination basket.

- In respect to tariff offers on agricultural products, the two sides exchanged opinions on interests and sensitivities on an item-specific basis, thereby carrying out the requisite preparatory work for later discussion. Further, the two sides discussed ways in which to reflect these product-specific sensitivities in the agreement.

- In tariff offer negotiations for textiles, the two sides concentrated their talks on immediate elimination of tariffs and relaxation of rules of origin for key items of interest, safeguard measures, and ways to prevent roundabout trade in textiles. In these negotiations, Korea pressed for an agreement to be reached on the basis of the outcomes of the bilateral high-level discussions on textiles that were held in December of last year.

5. In the negotiations on services and investment reservations, the two sides started substantive negotiations on the contents of the reservation lists based on the clarification work they had conducted thus far and sought to find ways to reach compromise on areas of mutual interest. However, the two sides were unable to narrow differences on the key pending issues.

6. Korea and the U.S. agreed to supplement their respective tariff offers and services and investment reservation lists before the seventh round of negotiations. Some negotiating groups are working on holding intersessional discussions before the next round of talks.

7. The two sides agreed to hold the seventh round of negotiations in the United States (Washington D.C.), from February 11 to 14, 2007.

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