

U.S. working to address concerns on auto, beef trade: Kirk

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WASHINGTON -- The U.S. government has been working to address U.S. concerns about the auto and beef markets with South Korea so it can present a pending free trade deal for ratification, the chief U.S. trade negotiator said Tuesday.

U.S. Trade Representative Ron Kirk also said that the U.S. "would love" to have South Korea, Japan and Malaysia join the negotiations for the Trans Pacific Partnership (TPP), a free trade deal with Australia, Brunei, Chile, New Zealand, Peru, Singapore and Vietnam.

Kirk failed to touch on when the Obama administration will submit the Korea-U.S. Free Trade Agreement, signed in 2007, for congressional approval.

"We are working to address outstanding concerns with the U.S.-Korea Free Trade Agreement, particularly with respect to autos and beef, so that this administration can present the agreement to Congress," Kirk told a forum hosted by the Washington International Trade Association to explain the start of negotiations for the TPP.

Kirk's remarks follow a letter delivered to Obama last week by a group of leading Republican lawmakers, including Rep. Eric Cantor (R-Va), to urge Obama to move as quickly as possible to ratify the free trade deals with South Korea, Panama and Colombia and discuss the deals in his State of the Union address next month.

They said the ratification of the deals will be "in the interest of supporting American job creation."

The U.S. has not yet ratified the pending FTAs amid rising protectionist sentiment in Congress over possible job losses during the current recession.

Obama has also been focusing on other priorities, including health-care reform and the wars in Afghanistan and Iran.

South Korea has said it wants Congress to approve the deal by next summer, emphasizing that failure to do so could push ratification to after 2011 because of congressional elections next November.

The foreign affairs and trade committee of the South Korean National Assembly has approved the pact, and the ruling Grand National Party is set to bring it to the full Assembly for ratification as soon as Congress moves.

U.S. trade officials have said they want to address U.S. concerns over an imbalance in auto trade and restricted shipments of beef, possibly in side agreements without revising the text of the deal.

"We're working through all of that, both with Congress and (relevant government agencies) and then we'll sit down with (South Korean Trade) Minister Kim (Jong-hoon)," Kirk said, noting Obama "has made plain we've got to get it right."

Proponents say any further delay will undermine the competitiveness of U.S. products, citing Korea's move to forge similar deals with other countries.

South Korea recently initialed a free trade agreement with the European Union, and is actively seeking similar pacts with the Association of Southeast Asian Nations, China, Japan, Canada, Colombia and several other countries.

Kirk said that the Korea-EU trade deal, initialed last month and expected to take effect next summer, will create "a little more sense of urgency for us because we don't want to further disadvantage U.S. interests."

Studies show the implementation of the FTA with Korea, the seventh largest trading partner for the U.S., will create 240,000 jobs and increase annual two-way trade by more than US\$20 billion, up from \$83 billion.

Obama said in Seoul last month that he is ready to deal with South Korea separately from other Asian countries, such as China, which has a huge trade surplus with the U.S.

South Korean President Lee Myung-bak said he is willing to discuss the imbalance in auto trade, the biggest barrier to the ratification of the deal.

Lee also noted that South Korea's trade surplus with the U.S., just about \$8 billion, is far less than those of China and Japan, and that the U.S. deficit is easily neutralized once the U.S. surplus with South Korea in finance is factored in.