

Seoul Shelves KORUS FTA

By Oh Young-jin, Staff Reporter
Korea Times
September 1, 2008

Korea has given up hope of having its free trade agreement (FTA) with the United States ratified before the Nov. 4 U.S. presidential election, a senior trade official said Monday.

During an interview with The Korea Times, Lee Hye-min, Korea's deputy minister for trade and chief FTA negotiator, said, "It is certain that the U.S. will not be able to ratify the agreement until the presidential election.

"That contingency is also being considered," said Lee, who was a key member of the Korean negotiating team in the lead-up to the settlement of the so-called KORUS FTA last year, confirming the difficulty Korea could face in getting the FTA ratified by the parliaments of the two countries, in the event that Barack Obama, the U.S. democratic presidential candidate, wins the November election.

Arguably, it was the first time that a senior Seoul government official has definitely expressed Seoul's position that it has forsaken its hope for FTA ratification.

In a separate interview with a domestic radio station, Lee said that, if Obama calls for a revision in the current agreement, it would create an imbalance, without specifying what he meant. Obama, who is running neck and neck in opinion polls with the presumptive Republican candidate John McCain, together with the Democrats, are opposing bilateral trade pacts with Korea and other countries, bowing to the pressures by, among others, the struggling automotive industry.

President Bush repeatedly asked the Democrats-controlled U.S. Congress to ratify the KORUS FTA but without success.

The Lee Myung-bak government in Seoul also has pushed the National Assembly to give prompt approval so as to put pressure on Washington to follow suit. However, the National Assembly seems to be taking it as an issue of lesser concerns because of the opposition by progressive segments in Korean society that flexed their muscles during candlelit vigils against the government's decision to resume U.S. beef imports.

However, Lee noted that there are strong voices not only in the Republican Party but also among Democrats for the early FTA ratification, saying "It is a matter of when (the FTA with U.S. is ratified), not whether."

Referring to the ongoing trade talks with the European Union (EU) during the radio program appearance, Lee said that a settlement is possible before the end of this year, explaining the outcome of the talks between chief negotiators.

He cited automobiles, finance and legal services as primary areas of discussions that have yet to be settled.

“We stressed the importance of products from the Gaeseong Industrial Complex (the industrial park that is located in the North Korean city of the same name as flagship of the two Koreas' industrial cooperation),” he said. “The EU reserved not to reveal its stance.”

Korea and U.S. left this issue a moot point because of the different sensitivities at the two countries over it.