

South Korea seeks parliament approval for U.S. deal

By Jack Kim

Hemscott.com/Reuters

October 8, 2008

SEOUL, Oct 8 (Reuters) - South Korea's government sought parliament ratification for a free trade deal with the United States on Wednesday, hoping that a new, conservative-controlled assembly would ride out opposition from farmers.

South Korea previously sought approval for the deal, which studies said could boost the two countries' \$78 billion annual trade by \$20 billion, in September last year but the bill expired when the previous session of parliament ended in May.

The U.S. Congress too has not yet approved the pact signed a year ago.

South Korean officials said an early passage of the bill could add pressure on the U.S. Congress to ratify the deal but conceded that it was nearly impossible for the current Congress to come to a vote by the end of this year.

'I believe it will be strategically beneficial to be a step or two ahead of the United States,' South Korean Minister for Trade Kim Jong-hoon told parliament, when asked why it should approve the deal when it is doubtful that a lame-duck session of U.S. Congress would vote after the Nov. 4 election.

The agreement has broad support among members of South Korea's ruling conservative Grand National Party but could stir fresh opposition from the country's powerful farm lobby.

South Korean farmers say the deal would ruin their livelihoods by flooding the country with cheap U.S. farm goods and said government plans to compensate their potential losses do not adequately address their plight.

In the United States, the deal enjoys support from farm and business groups eager to increase sales in South Korea's \$1 trillion economy but U.S. carmakers and autoworkers are strongly opposed, saying it would put more jobs at risk in the troubled sector.