

S. Korea Sets Limits on Free Trade Deal

Associated Press

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March 23, 2006

President Roh Moo-hyun said Thursday South Korea won't sign a free trade agreement with the United States if it perceives it might get the short end of the bargain.

"I would not engage in a losing business," Roh said in a meeting with citizens, broadcast live via nation's major Internet portals, adding that South Korea will reach an accord with Washington that is acceptable to his country.

Roh, however, stressed the importance of free trade accords to South Korea's economy, which depends on exports for most of its economic growth, saying such agreements symbolize South Korea's opening up to the global economy.

In February, South Korea and the United States said they would begin talks on a free trade deal that, if successful, would be the biggest for the United States since the North American Free Trade Agreement of 1993.

Roh's comments came as the first shipment of U.S. rice for direct sale to consumers arrived in South Korea Thursday amid protests from farmers, who claim that lifting trade barriers will allow foreign imports to flood the country and wipe out their livelihoods.

About 13,000 tons of American rice arrived at the port of Busan, South Korea's second largest city about 450 kilometers (280 miles) south of Seoul, early Thursday, according to the Agriculture and Forest Ministry.

The shipment is part of a 2004 agreement that South Korea signed with the United States, China, Thailand and six other rice-producing countries, to gradually open up its rice market.

About 100 farmers in Busan briefly scuffled with riot police as they attempted to enter the port to disrupt its unloading, according to South Korea's Yonhap news agency. No injuries were reported.

South Korea began importing rice from the U.S. and other countries on a limited basis in 1995. But until now all imports have been used at food-processing factories to make products such as rice crackers, not sold directly to consumers.

The United States and South Korea announced earlier this month that formal negotiations will start on June 5 in Washington, putting them under a tight deadline as the Bush

Administration's authority to negotiate an agreement and submit it to Congress for a simple ye-or-nay vote without amendments runs out at the end of June 2007.

Washington considers South Korea, Asia's fourth-largest economy, a key nation for striking a free-trade deal. South Korea is the United States' seventh-largest trading partner while the United States is the second-biggest destination for South Korean exports after China, according to U.S. and South Korean government figures.

Roh also said his government will put in place measures to help its vulnerable agriculture sector.

South Korea launched its first free trade pact in 2004 with Chile and has since forged an agreement with Singapore and the European Free Trade Association, which comprises Switzerland, Iceland, Liechtenstein and Norway.