

Seoul says won't rush into US bilateral trade deal

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By Anna Fifield in Seoul

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South Korea's trade minister on Monday declared Seoul would not rush into a bilateral trade agreement with the US, its second-largest trading partner, just because the two countries had set an ambitious timetable for concluding the deal.

As preparatory talks continue before formal negotiations start on June 5, Kim Hyun-chong said it was "plausible" that an agreement could be reached with Washington before the US "fast-track" process expires in June next year.

"I would feel a bit more comfortable if we had more time but it's certainly do-able within this timeframe," Mr Kim told foreign journalists in Seoul.

However, amid large street protests and increasing political debate about the agreement, which would likely require South Korea to open up its car and pharmaceutical markets as well as parts of the agricultural sector, Mr Kim said Seoul had "minimum bottom lines".

"It will be very difficult for either country to receive the necessary domestic approval unless the overall package achieves a balance of interests which considers the concerns of the two countries," the minister said.

"I cannot sign an agreement which does not meet our negotiating objectives simply because time is ticking ... Needless to say, what we agree on is far more important than when we agree," he said.

About 17,000 protesters marched through the streets of Seoul on Saturday to demonstrate against the deal, which some said would increase South Korea's economic reliance on the US and in effect turn it into "the 51st US state".

Farmers have been particularly vociferous, although the South Korean government is seeking for rice to be exempt from the deal, in the same way it is excluded from multilateral trade agreements until 2015.

Seoul and Washington are scheduled to begin the first of five rounds of talks in June and to conclude discussions in March so the deal can pass through the US's Trade Promotion Authority – which has the power to negotiate trade deals without amendment procedures from the US Congress – before its authority expires at the end of June next year.

Even without the tight timeframe, the negotiations are shaping up to be thorny. As well as tackling contentious areas including autos, pharmaceuticals, beef and intellectual property, officials in both Seoul and Washington say the US is likely to push for changes in "grey" areas of non-tariff trade barriers as well as on black-and-white tariffs issues.

There is also likely to be friction over goods made at the Kaesong industrial park in North Korea, where South Korean businesses have opened factories. Washington is opposed to Seoul's suggestion that these products be considered "made in Korea".