

South Korea must move on beef to spur U.S. deal

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SEOUL - The chief U.S. envoy for a free trade deal with South Korea said on Tuesday she hopes Congress will ratify the pact in early 2008 but lawmakers want Seoul to fully open its market to American beef before signing off.

The U.S. and South Korea struck a deal in April that experts said could increase their \$78 billion a year in two-way trade by about \$20 billion a year. The deal has yet to be approved by legislatures in both countries.

"There is a relationship between ratification of the FTA (free trade agreement) and opening the beef market. Congress has made it clear that it is necessary for Korea to reopen its beef market if they are to consider the Korea FTA," Wendy Cutler told a meeting of business executives.

Seoul and Washington have been fighting a separate battle over South Korea's beef market, once the third largest overseas market for the U.S. product and worth about \$850 million a year.

South Korea, which banned all imports in 2003 following an outbreak of mad cow disease in the United States, allows only imports of boneless U.S. beef from cattle less than 30 months old.

Earlier this month, it temporarily halted imports after finding banned spinal material in a shipment.

"We remain hopeful that the KORUS (Korea-US) FTA can be ratified by our Congress during the first half of next year," Cutler said. "Korea can help us in a very important way right now. We need to resolve the beef issue."