

US Debates Continue on FTAs with Colombia, South Korea

Bridges Weekly Trade News Digest

International Centre for Trade and Sustainable Development

September 16, 2009

<http://ictsd.net/i/news/bridgesweekly/55271/>

United States Trade Representative (USTR) Ron Kirk has received more than 500 responses to his request for comments from stakeholders concerning pending free trade agreements with Colombia and South Korea, the USTR said on Tuesday.

"We will carefully review the comments received to help us determine how best to move forward with these FTAs," said Kirk in a statement.

The deals, signed in November 2006 with Bogotá and June 2007 with Seoul, have yet to be ratified by the US Congress. On 14 September, Washington said that it was taking another look at the pact with South Korea, due to the recent troubles of the US auto industry.

US auto interests say their concerns have yet to be addressed. Making its case to the USTR, the UAW - a labour union representing auto workers — argued that it would be particularly difficult, even with lowered tariffs, for US auto firms to compete with their Korean competitors, thanks to the support they receive from Seoul.

A US trade official seemed sympathetic to their complaints. "Given the difficulty that American autos have had getting into the Korean market historically, we may have to go back and look if there's something more we can do," Kathleen Phillips, US ambassador to South Korea said at a visit to the Korea Economic Institute. According to a USTR press release, the free trade agreement with South Korea is the most commercially significant agreement in the last 16 years.

Meanwhile, the Colombia deal - which would boost US exports to the South American country by an estimated US\$ 1 billion annually – has been blocked by some Democrats who are apprehensive over the country's alleged persecution of members of labour unions.

Opposition to the agreements has been prominent in the US, from stakeholders and government representatives, but the deals have also met with backlash in Colombia and South Korea. Both countries' populations have shown concern over US beef imports, due to the possibility of "mad cow disease."

In Seoul, a so-called "beef crisis" arose, with distressed consumers putting on candlelight protests over the quality of beef entering their country. Korean farmers and workers have also organised resistance groups, due to nervousness relating to what they perceive as a very broad opening of the market to US imports.

Back in the US, some observers wonder whether US President Barack Obama is truly committed to pushing for new trade agreements, given that his eight-month-old administration has yet to take any strong steps toward greater market opening. But Obama insists he sees the value of free trade deals.

"A healthy economy in the 21st century...depends on our ability to buy and sell goods in markets across the globe," Obama said in a speech to union members on Tuesday. "And make no mistake, this administration is committed to pursuing expanded trade and new trade agreements. It is absolutely essential to our economic future."

ICTSD reporting; "US takes comments on trade pacts with SKorea, Colombia," AFP, 16 September 2009.