

U.S. to seek better Korea Free Trade deal for Detroit's Big 3

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Washington -- The Obama administration's top trade official vowed to seek changes in the Korea Free Trade agreement to help automakers.

U.S. Trade Representative Ron Kirk told reporters Monday that the administration is committed to winning changes to ensure that more U.S. autos are sold in Korea.

Kirk spoke on the sidelines of an event in Washington where he helped unveil the new 2011 Ford Explorer. Ford has been very critical of the trade agreement for not doing more to open the Korean market to U.S. exports.

"We can't accept -- and I am not going to ask (automakers) to accept ... the inability to just go in and compete and let the Korean consumer decide just like the American consumer does."

Kirk met in Detroit this year with automakers, Gov. Jennifer Granholm, members of the United Auto Workers union and members of Congress to discuss the long-stalled Korea Free Trade agreement.

This month, President Barack Obama named Ford president and CEO Alan Mulally to his export council.

"We're looking for a formula that can open the Korean market to the export of U.S. automobiles," said Stephen Biegun, Ford's vice president of international governmental affairs.

The agreement, as it now stands, "isn't sufficient to break down the barriers that the Koreans have put in place."

The agreement must have a process with "enforcement" and "transparency," Biegun said.

In April 2007, the Bush administration signed a free trade agreement with Korea, but it stalled in the United States, primarily over concerns about U.S. beef and auto exports.

Korea's largest company, Hyundai, holds an 80 percent market share.

Obama, at the G-20 summit in Canada last month, said his administration will launch new talks with South Korea aimed at resolving those differences before he goes there in November; he wants to submit an agreement to Congress soon thereafter.

Ford has dubbed Korea one of the most "closed markets in the world to automotive imports."

Most U.S. automakers have opposed the agreement negotiated under the Bush administration because it did little to open the closed auto market.

General Motors Co. has stayed neutral, because of its South Korean unit GM Daewoo, which is the fourth-largest automaker there.

Korean automakers sell 700,000 vehicles annually here, but U.S. automakers export fewer than 7,000 vehicles annually in Korea. In total, foreign imports account for just 5 percent of total sales in Korea.

The White House says the new deal likely will be sent to Congress early next year.

Obama says a new pact will strengthen ties between the two countries, and may boost the export of American goods by as much as \$11 billion a year.

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