

South Korea, US sign free trade agreement

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WASHINGTON: President George W. Bush and his South Korean counterpart pledged Sunday to work together to ensure legislative approval of the free-trade agreement signed by the two countries over the weekend, a U.S. spokesman said.

Bush called South Korean President Roh Moo-hyun on Sunday morning from Kennebunkport, Maine, where he is hosting Russian President Vladimir Putin later in the day.

"They welcomed the June 30 signing of the historic U.S.-Korea Free Trade Agreement and pledged to cooperate in ensuring approval by the legislatures of both nations," said National Security Council spokesman Gordon Johndroe.

"They discussed recent events in U.S.-South Korea cooperation on the North Korea nuclear issue, and expect the quick return of IAEA (International Atomic Energy Agency) inspectors to supervise the shutdown and sealing of nuclear reactors."

The two presidents will see each other in September at the Asia-Pacific Economic Cooperation meeting in Sydney.

On Saturday, South Korean Trade Minister Kim Hyun-chong and U.S. Trade Representative Susan Schwab signed a free-trade agreement that reflected U.S. calls for stricter labor and environmental standards, meeting a deadline under Bush's expiring "fast track" special trade powers.

That "fast track" authority prevents lawmakers from amending the deal before voting on it. The trade deal still needs to be approved by lawmakers in both countries to take effect.

Bush said Saturday that the Korean agreement would generate exports for U.S. farmers, ranchers, manufacturers and service suppliers. He urged Congress to ratify the agreement.

While the U.S. Chamber of Commerce and other business groups applauded the agreement, it faces opposition in Congress. House leaders, including Speaker Nancy Pelosi, a Democrat, say they will not support the agreement as negotiated.

The agreement would eliminate and lower tariffs and other trade barriers in a wide range of industrial goods and services, including automobiles, agricultural products and financial services.

South Korea also agreed to change its tax system for larger vehicles, which the U.S. contended was discriminatory. South Korea currently sells more than 700,000 vehicles a year in the United States, while U.S. makers only sell about 5,000 in South Korea.

South Korea is the United States' seventh-largest trade partner. Bilateral trade between the two countries last year reached \$78 billion (€58 billion).

The two countries concluded the free-trade agreement in April after 10 months of tough negotiations, only to have it hung up over last-minute amendments requested by Washington. The amendments incorporate stricter labor and environmental guidelines set by the new Democratic majority in Congress for free trade deals.

The two governments say slashing tariffs and other trade barriers will boost commerce between the two close allies. But opponents say the deal will squeeze workers in both countries.

In central Seoul, thousands of striking workers were joined Friday by students and farmers to protest the trade accord, which they say will harm livelihoods.

The U.S. also concluded free trade deals with Colombia, Panama and Peru ahead of Saturday's deadline.