

# 'Korea-US FTA Talks Face Bumpy Road'

**By Kim Sung-jin**  
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Seoul is unlikely to meet its timetable to strike a free trade agreement (FTA) deal with Washington by June next year due to a number of roadblocks that lie ahead, said an expert on South Korea.

Marcus Noland, a senior fellow at the Institute for International Economics (IIE), told The Korea Times in an e-mail interview that he expects the bilateral FTA talks between Korea and the United States to hit a snag over compromises on the opening up of sensitive industries in the respective countries.

He said that it would be difficult for the two countries to ink the bilateral FTA before the expiration of the trade promotion authority (TPA) granted to President George W. Bush until July 2007.

“Reaching agreement under this timetable will be difficult. Past experiences in both the U.S. and South Korea suggest that these negotiations can be protracted, and in the specific case of the Korea-U.S. FTA there are some difficult issues to negotiate, Noland noted.

Korea aims to conclude the proposed Korea-U.S. FTA by June next year since the U.S. Congress restricts itself to approving or rejecting a negotiated trade agreement within strict time limits and without amendments with the TPA provisions in force.

The formal negotiation for the proposed Korea-U.S. FTA is due to start in mid May.

However, Noland differed with some local economists with the view that there is no reason for Seoul to hurry to clinch an FTA with Washington before the self-set target date.

“I think that if it is possible to clinch the FTA under the existing TPA provisions, Korea would be well advised to seize the opportunity, Noland said.

“There is certainly no guarantee that negotiating an FTA will be easier in the future. Indeed, the opposite is more likely to be the case, he added.

As Noland pointed out, with TPA out of effect, U.S. Congress approval would be very time-consuming in light of Congressional endorsements on past FTA cases by the U.S.

In this regard, Noland said Korea made a step in the right direction to halve the screen quota to expedite its FTA negotiation with the U.S.

``The Korean film industry is prospering and no longer needs infant industry protection. The Korean governments' move was the right one,he said.

Noland predicted that the agricultural industry would be a big winner in the case of the U.S., as would some service sector industries, depending on the specifics of the agreement.

In the case of Korea, the manufacturing sector would be the biggest winner, he anticipated.

``Agriculture in Korea will have to adjust, as will manufacturing sectors in the U.S., he said.

Noland said both countries would reap great non-trade benefits from a joint FTA.

``FTAs with the U.S. generally involve deeper integration in areas such as services and investment than the World Trade Organization (WTO) norm, so both countries should benefit from deeper economic integration,Noland said.

``In the case of Korea, the Korea-U.S. FTA should also achieve a `lock-in` against the imposition of future protection. Politically, it would reaffirm the ties between the two countries, he said.