

Japan aide urges U.S. Congress approve Korea trade deal

By Doug Palmer
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WASHINGTON - Japan hopes the U.S. Congress will approve a free trade deal with South Korea that it believes could be a "building block" toward a larger U.S.-East Asian free trade zone, a Japanese official said on Thursday.

"The KORUS FTA (Korea-U.S. Free Trade Agreement) is one of the models that will facilitate trade liberalization in East Asia and will become one of the building blocks for the FTAAP (Free Trade Area of the Asia Pacific)," said Kenji Goto, minister for economy, trade, industry and energy at Japan's embassy in Washington.

"I sincerely hope it will be successfully approved at the appropriate time," Goto said at a discussion on Korea's trade-liberalization efforts in Asia and around the globe.

Washington and Seoul signed the agreement in June and the Bush administration wants Congress to pass it next year.

But many senior Democrats oppose the pact because they say its auto provisions too heavily favor South Korea, a major auto exporter, at the expense of U.S. car manufacturers.

In the meantime, South Korea is negotiating free trade pacts with the European Union, Canada, India and Mexico and studying deals with China, Russia, Australia, New Zealand and others.

Talks with Japan were suspended in late 2004, but both sides hope to resume them some day. Seoul already has already concluded trade deals with Singapore and Chile.

TWO COMPETING VISIONS

Seok Young Choi, minister of economic affairs at the South Korean embassy in Washington, warned that congressional failure to approve the KORUS agreement "would create a lot of repercussions for U.S. engagement in Asia" in terms of lost market share and a blow to its regional integration efforts.

Although the 21 countries of APEC (Asia Pacific Economic Forum) have agreed to study the U.S. proposal for a Free Trade Area of the Asia Pacific, there are other economic integration proposals in the region that exclude the United States.

One, called ASEAN plus three, would bind the 10 members of Association of Southeast Asian Nations with South Korea, Japan and China. Another called ASEAN plus six would also include India, Australia and New Zealand.

In effect, Asia Pacific countries face two competing visions of economic integration: one that includes the United States and one that does not, said Claude Barfield, a trade scholar at the American Enterprise Institute.

"Japan supports the idea of the FTAAP ... as a future goal," Goto said. "In this context, the KORUS FTA has great implications as a forerunner in terms of bridging both sides of the Pacific."

The U.S and Japanese government have begun taking the first tentative steps this year toward free trade negotiations by exchanging information on each other's agreements.

A deal with the United States would require Japan to open up many sensitive sectors -- particularly in agriculture -- that it previously has been unwilling to do. But as the region continues to liberalize, Tokyo might find it harder to resist.

A study on the merits of a U.S.-Japan Free Trade Agreement could be concluded before President George W. Bush leaves office in January 2009, but it's doubtful the two countries would begin negotiations before then, Goto said.