

South Korea sees U.S. trade deal approval by February

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SEOUL - South Korea's trade minister said on Tuesday he expected parliament to approve a free trade deal with the United States by February, but cautioned that U.S. pressure on the beef and car sectors may create a backlash.

South Korea and the United States signed a free trade agreement (FTA) in June that some estimates said could boost their \$78 billion a year in annual trade by about \$20 billion. Legislatures in the two countries have yet to approve the pact.

"We do anticipate the bill to be ratified sometime before the end of this administration next February," trade minister Kim Jong-hoon told the American Chamber of Commerce in Korea.

The chief U.S. negotiator for the trade deal said in October she hoped Congress would approve the deal in the first half of 2008 but some lawmakers said a vote would likely come later.

U.S. lawmakers have said they would not vote for the deal unless South Korea moves to settle a separate dispute by fully opening its market to U.S. beef imports.

"It is also worth mentioning that the Korean public does not appreciate the rhetoric 'no beef, no FTA' by some U.S. congressmen," Kim said.

At present, South Korea, which banned all imports in 2003 following an outbreak of mad cow disease in the United States, allows only imports of boneless U.S. beef from cattle younger than 30 months.

U.S. beef returned to South Korean store shelves earlier this year and was given a warm reception by consumers who queued to buy the product that typically sells for less than half the price of similar cuts of Korean beef.

In October, however, South Korea temporarily halted imports after finding banned spinal material in a shipment.

Kim said South Korea, once the third-largest overseas market for U.S. beef, is still reviewing safety procedures and the credibility of the U.S. quarantine system after packers sent prohibited material.

Kim also took on charges by members of the U.S. auto industry that the deal did not do enough for imports by saying South Korea accepted a majority of U.S. demands "to create a level playing field for U.S.-made autos in South Korea."