

South Korean Trade Accord Certain to Stir Debate

By Doreen Hemlock
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Get ready for a bitter debate over free trade with South Korea in the coming months.

Washington's decision to negotiate a free trade accord with Seoul by early 2007 already is spurring controversy, with supporters calling it key to stabilizing the Korean peninsula and critics concerned the deal will undermine U.S. jobs.

A free trade deal with South Korea would be the largest for the United States since Washington signed the North American Free Trade Agreement, or NAFTA, slashing barriers to trade and investment with Mexico and Canada starting 1994. The two U.S. neighbors are among the nation's top three trade partners.

U.S.-South Korean trade topped \$72 billion last year, ranking South Korea as the seventh largest trade partner for the United States.

Free trade advocates, including the U.S. Chamber of Commerce, say a well-crafted accord will advance U.S. business interests by further opening the South Korea market for U.S. products and services and increasing protections on investment and on patents, trademarks and other intellectual property.

They also see gains for U.S. security by boosting business with South Korea. They emphasize that more than 30,000 U.S. troops are stationed in South Korea, that Seoul is a partner in six-party talks over North Korea's nuclear issue and that Seoul has supported the war on terror by sending troops to Iraq and Afghanistan.

"This FTA will show yet again that an open and free society is the road North Korea needs to take," Rep. Jim Kolbe, R-Ariz., said in a statement.

But the accord faces tough opposition both in South Korea and the United States. Korean rice farmers have repeatedly protested against free trade in farm products, seeking to retain domestic protections. And U.S. unions claim that freer trade without stronger labor and environmental protections hurts U.S. workers.

"The free trade model tends to exacerbate our trade deficit and competitiveness problems, rather than increase access to overseas markets," Thea Lee, the AFL-CIO labor federation's chief international economist, said in an interview. "With so much opposition in both countries, I'd be surprised honestly if they're able to pull it off."

The Bush administration has been aggressively pursuing free trade, boosting from four to 17 the number of nations that share free trade accords with the United States. The list now includes Morocco, Australia, Singapore, Chile, Central America and the Dominican

Republic, among others.

Florida likely would be less affected than California and other U.S. Pacific states by a potential U.S.-South Korea deal.

In 2004, South Korea directly traded \$799 million in goods with Florida airports and seaports, ranking as the state's 25th largest trade partner, according to latest available full-year data from Enterprise Florida, the economic development group. Many other Korean goods entered the state by rail from Pacific states, however.

The Office of the U.S. Trade Representative is to conduct a hearing on the proposed free trade agreement this week in Washington, D.C.