



# FACT SHEET

## South Korea-U.S. Free Trade Agreement (KORUS FTA)

Prepared: May 10, 2007

02/02/2006	United States, South Korea Announce Intention to Negotiate Free Trade Agreement
06/05/2006	Official kick-off of the First Round of Korea-U.S. Free Trade Agreement Negotiations
07/14/2006	Conclusion of the 2nd Round of the KORUS FTA Negotiations
10/27/2006	Conclusion of the 4th Round of the KORUS FTA Negotiations
01/19/2007	Conclusion of the 6th Round of the KORUS FTA Negotiations
03/12/2007	Conclusion of the 8th and Final Formal Round of the KORUS FTA Negotiations
04/02/2007	United States and Korea Conclude Historic Trade Agreement

Close to midnight on April 1, 2007, President Bush sent a message to the leaders of the House and Senate, notifying them of his intent to enter into a free trade agreement (FTA) with South Korea. The President's notification to Congress signified the completion of the negotiations on the U.S.-South Korea FTA (KORUS FTA) that the two countries launched on February 2, 2006, at South Korea's request. The negotiations covered a wide range of subjects, including a number of sensitive issues — autos, agriculture, trade remedies, among others — that have plagued the U.S.-South Korean trading relationship for decades. As a result, the FTA negotiations were at times contentious and their successful completion in doubt.



Congress will have to approve implementation legislation for the KORUS FTA before it can enter into force. The negotiations were conducted under the trade promotion authority (TPA), also called fast-track trade authority, that the Congress granted the President under the Bipartisan Trade Promotion Act of 2002 (the Act) (P.L. 107-210). The authority allows the President to enter into trade agreements that receive expedited congressional consideration (no amendments and limited debate).

The United States and South Korea conducted the FTA negotiations with a high degree of political risk for both countries, and that risk will likely carry over as their respective legislatures debate the merits of the FTA.

Judging from information released to date, the results of the FTA negotiations were the product of much compromise. As negotiators from both countries stated, the two sides were able to accomplish some of their objectives, but neither side got everything it wanted. A detailed and accurate analysis of the agreement must await the public release of the complete text, which is anticipated in May. In the meantime, some highlights of the results of the negotiations can be provided based on official U.S. and South Korean summaries and comments as well as comments from informed private sector representatives.

Preliminary reactions from the U.S. business community have varied and in a number of cases have been cautious because the final text of the FTA has yet to be released. These reactions largely reflect perceptions of to what degree the objectives of various groups were realized in the final agreement. Preliminary reactions in South Korea were similarly varied.

This report is designed to assist Members of the 110th Congress as they consider the merits of the KORUS FTA. It examines the results of the FTA negotiations in the context of the overall U.S.-South Korean economic relationship, U.S. objectives, and South Korean objectives. The report will be updated as events warrant.

Source: *The South Korea-U.S. Free Trade Agreement (KORUS FTA)*, CRS Report for Congress, April 23, 2007. (<http://fpc.state.gov/documents/organization/84284.pdf>)

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