

Title Outcomes of the Seventh Round of Korea-U.S. FTA Negotiations

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1. The seventh round of Korea-United States Free Trade Agreement (FTA) negotiations took place in Washington DC from February 11 to 14, 2007.

2. In this round of talks, the two sides reconfirmed their strong commitment to a timely conclusion of the negotiations and actively sought to reach compromise on the major pending issues on this basis.

- In this round, some groups such as labor, environment and e-commerce were able to reach overall agreement on key issues (with the exception of two to three issues), thereby establishing a substantive foundation for the conclusion of talks in these chapters. In respect to the other remaining issues, the two sides attained progress in seeking out means of reaching compromise and thus laid out the basis for future closing of these chapters.

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3. However, there are still many pending key issues that must be resolved to completely conclude the negotiations and it appears that the two sides will have to join efforts to reach resolutions, taking into account the perspective of the overall negotiations, on not only the major issues in sections such as autos, trade remedies and pharmaceuticals, but also on the remaining issues in other sections.

4. For the tariff offer negotiations, the percentage of tariff lines subject to immediate elimination of tariffs for each country reached 85 percent in this round, resulting from the additional improvements made in tariff concessions. However, due to the U.S. side's continued linkage of automotive tariffs to automotive taxes, the two sides were unable to reach progress in discussions on automotive products placed in the "undefined" basket ("U").

- In agricultural negotiations, the two sides were unable to narrow differences on items other than the relatively less sensitive ones. Although the two parties

continued discussions on the specifics on agricultural safeguards and tariff rate quotas (TRQ), they nonetheless maintained their differences in these areas.

- In the textiles section, the U.S. side proposed a new modified tariff offer. Korea believes that discussions will need to continue in this area.

5. In the services and investment negotiations, intensive discussions focusing on the items of interest for each side were continuously carried out and many differences on technical issues were successfully bridged.

6. Korea and the U.S. agreed to hold the eighth round of negotiations in Seoul from March 8 to 12, 2007.

Spokesperson for MOFAT