



Winter 2012

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Recommended Citation

Molnar, Robert, "South Korean Free Trade Agreements: U.S. AND E.U" (2012). *In the Balance*. 4.
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SOUTH KOREAN FREE TRADE AGREEMENTS: U.S. AND E.U.

ROBERT MOLNAR[†]

The United States and South Korea are moving closer to establishing a free trade agreement between the two countries. The full text of the proposed agreement is available at <http://www.ustr.gov/trade-agreements/free-trade-agreements/korus-fta/final-text>. The two countries originally signed the treaty in 2007, but its approval in the U.S. stalled when the auto industry objected to the level of access it would receive to the South Korean market.¹ Three years later, President Barack Obama re-committed the U.S. to the treaty and reached a new agreement by the end of the year. The Treaty would be the largest free trade agreement signed by the U.S. since the North American Free Trade Agreement of 1994 (NAFTA), and is the first bilateral agreement between the United States and a major Asian economy.²

The European Union signed a free trade agreement with South Korea on October 6, 2010. The European Parliament ratified the agreement in February of this year and the agreement became law in July. The agreement is designed to decrease trade barriers between South Korea and the EU by 98% over the next five years.³ Senator Rob Portman of Ohio has cited the EU-South Korea free trade agreement as already successful at boosting imports from the EU to South Korea, and has urged passage of the U.S.-South Korea agreement.⁴ Scott A. Snyder of the Council on Foreign Relations has claimed that the agreement will create new American business opportunities in South Korea.⁵

Sherrod Brown, Ohio's other U.S. Senator, has urged President Obama not to submit any free trade agreements to Congress until Congress approves an extension of Trade Adjustment Assistance ("TAA"), a federal government program that helps American workers whose jobs are sent overseas. Brown, a critic of past free trade

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¹ *S. Korea Willing to Discuss U.S. Concerns About Auto Trade: Lee*, ASIAN POL. NEWS (Nov. 23, 2009), <http://www.thefreelibrary.com/S.+Korea+willing+to+discuss+U.S.+concerns+about+auto+trade%3A+Lee.-a0212699307>.

² Choe Sang-Hun, *U.S. and South Korea Sign Free-Trade Agreement*, N.Y. TIMES (April 2, 2007), <http://www.nytimes.com/2007/04/02/world/asia/02iht-fta.1.5110252.html>.

³ Press Release, European Parliament, *E.U.-South Korea Free Trade Agreement Passes Final Hurdle in Parliament* (Feb. 17, 2011), <http://www.europarl.europa.eu/en/pressroom/content/20110216IPR13769/html/EU-South-Korea-free-trade-agreement-passes-final-hurdle-in-Parliament>.

⁴ Sabrina Eaton, *Sen. Rob Portman Says Trade Agreement With S. Korea Helped E.U. Exports Jump at U.S. Expense*, CLEVELAND.COM (Sept. 22, 2011, 11:04 AM), http://www.cleveland.com/open/index.ssf/2011/09/sen_rob_portman_says_trade_agr.html.

⁵ Scott A. Snyder, *KORUS-FTA and the Need for a U.S. Trade and Investment Policy*, COUNCIL ON FOREIGN RELATIONS (Sept. 21, 2011, 5:31 PM), <http://blogs.cfr.org/asia/2011/09/21/korus-fta-and-the-need-for-a-u-s-trade-and-investment-policy/>.

agreements, introduced legislation to extend TAA benefits in the Senate, which passed the bill on September 22, 2011.⁶

Earlier this year, *The American Lawyer* reported that several large American law firms have expressed an interest in opening offices in South Korea.⁷ However, expansion of legal services in South Korea may have more to do with the deregulation of legal training by the South Korean government than the pending trade agreement.⁸

⁶ Press Release, Brown's Amendment Extending Trade Adjustment Assistance Passes Senate (Sept. 23, 2011), http://brown.senate.gov/newsroom/press_releases/release/?id=F0787736-704A-4633-8D3C-D7D1B51B1DFC.

⁷ Bryan Baxter, *Clifford Chance, DLA Piper Look to New Asian Locales*, THE AM. LAWYER ONLINE (March 28, 2011), <http://www.law.com/jsp/tal/PubArticleTAL.jsp?id=1202487952324>.

⁸ *Id.*