

Evaluation of the Chile-Korea FTA and Policy Implications for Korea's FTA Policy

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This paper evaluates the Korea-Chile FTA focusing on the market access of goods and tries to draw policy implications for Korea's future FTA policy. Moreover, it analyzes problems involving the FTA negotiations with Chile and Korea's domestic ratification process, and suggests overall policy implications for Korea's FTA initiatives and appropriate future directions for each FTA now under consideration.

Korea and Chile agreed to eliminate tariffs over all the industries including agriculture and tariffs on almost all the products, except some highly sensitive products, will be phased down to zero eventually. In consideration of reality of Korea's agriculture, rice, apples and pears were excluded from the tariff elimination list in order to minimize damages. On the other hand, tariffs on passenger and commercial vehicles and computers, which took up 67% of Korea's total export to Chile, are eliminated immediately.

Korea has experienced many trials and errors in the process of promoting the first Korea-Chile FTA. It is because Korea had no experiences regarding FTAs at all and the severe protests of less competitive industries made it worse. The examples of problems in the process of the Korea-Chile FTA are that parties supporting the FTA did not expand enough and that too much cost was paid to persuade the opposing farmers. Moreover, there were few coordinating activities on the political side for lack of strong leadership, even though the negotiations were in a stalemate for a long time.

The policy directions that this paper suggests are first to make a plan for structural reforms of industries including agriculture and then to provide some measures and rational standards for supporting industries that are damaged due to FTAs. In addition, the FTA promotion system including related procedures is to be reinforced and consideration and implementation of ways to boost FTA supporting parties are required. At last, this paper emphasizes that the Korean government should arouse sympathy among the public for market opening, suggest its firm objectives and plans for trade liberalization, and provide realistic and concrete measures for promoting FTAs.

I.

2003 2 • FTA

1

FTA가 2004 4

가

2003 7 ,

가 ,

2 .

FTA ,

4 • .

FTA 1 2 , FTA

3 가 1 5

. FTA 2004 5 , 7 1 5

가 .

FTA

가 . 1,505 (3

1) , GDP 665 (5 1) , 2002 1

4,277 GDP 가 . ,

(10), ,

1970

, 1990

가

가 IT 1 가 .

2002 88.6 ,

37.4 51.2 .

FTA 가

, 가

FTA

FTA, . 가
 FTA FTA . FTA
 FTA FTA .
 ,1) FTA . FTA
 , 가 .
 FTA FTA ,
 FTA 가 . II . FTA
 가 , III FTA
 . III FTA
 FTA .

II. 가

1.

, FTA
 가 . 96%

1) . FTA

FTA 가 .

가 ,

.

(2003) .

< 1 >

(HS 10 , : %)

						()
	9,740(87.2)	9,101(99.9)	224(15.6)	138(58.2)	277(69.5)	, ,
5	701(6.3)	-	545(38.1)	70(29.5)	86(21.5)	,
7	41(0.4)	1(0.01)	40(2.8)	-	-	, ,
9	1(0.01)	-	1(0.07)	-	-	
10	262(2.3)	-	197(13.8)	29(12.3)	36(9.0)	, ,
1) ¹⁾	1(0.01)	-	1(0.07)	-	-	
16 ²⁾	12(0.1)	-	12(0.8)	-	-	, ,
TRQ+DDA ³⁾	18(0.15)	-	18(1.26)	-	-	, ,
DDA	373(3.3)	-	373(26.0)	-	-	, , ,
	21(0.2)	-	21(1.5)	-	-	, ,
	11,170	9,102	1,432	237	399	

: , HS code 가 .

- 1) (11~4) (10)
 - 2) 5 , 1 , 10
 - 3) TRQ , DDA
- : (2003)

10

가 . 10 , 5 , 7
 , 9 , (10), 10 , 16
 , TRQ+DDA , DDA ,
 1 1,170 87.2% 9,740
 . 9,101
 , 224 , 138 , 277
 . 10 96.2% ,

70.3% 1,007
 , 5 , 7 , 10 , 13
 , 6
 41.8% , 5,854 2,450
 가 30.6%
 , (52)
 , 4,664 5,648 (96.5%) 10

< 2>

(HS 8 , : %)

	2,450(41.8)	1,478(30.6)	677(92.9)	96(100)	199(99)	TV, ,
5	1,994(34.1)	1,992(41.3)	-	-	2(1.0)	,
7	14(0.2)	14(0.3)	-	-	-	
10	1,190(20.3)	1,180(24.4)	10(1.4)	-	-	,
5 8 1)	152(2.6)	152(3.1)	-	-	-	,
	54(1.0)	12(0.2)	42(5.8)	-	-	,
	5,854	4,828	729	96	201	

: 1) 6 13

2) , HS code 가

: (2003)

2.

, (7)

FTA

6

67%(2001)

138

10

3.

(offset)

WTO

(GPA)

(42 가 , 15

21

) ,

• EU FTA

(가 , ,)

가

5 SDR

(500 SDR) ,

WTO

(, 20

SDR,

1,500 SDR) ,

“ 가 ”

WTO

(45 SDR,

1,500 SDR)

• FTA

4.

WTO

(GATT 3) ,

MFN

FTA

MFN

11 가 , 가 WTO 가 , GATT , 가

가 FTA

5. FTA 가

FTA

FTA

FTA

. WTO

가 , ,

67%

가 FTA

EU, , 가 FTA

가 10 FTA FTA

, , 2,450 (67%)

5

FTA 가

가 가 20~30

가 , ,

가

370 WTO

(DDA)

가

가

III. • FTA

FTA • FTA

FTA 가

FTA 가

FTA , FTA

FTA

FTA

가

. FTA

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FTA

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가

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가

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FTA

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가

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FTA

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,

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가 10

5,800

7

1

5

.

,

가

,

119

.

FTA

가

가

.

,

. FTA

3

.

.

가

,

FTA2 가 , FTA 가 , ASEAN FTA1
FTA 가
FTA 가
FTA 가
가 200 가
FTA 가
가
가
FTA
FTA
, 反FTA
FTA
가
2004 「FTA」
가
가
NGO
가

FTA

· FTA

UR

가

· FTA

가

가

UR

FTA

· FTA UR DDA 가

가

가

가

· FTA

IV. FTA

1. FTA

2003 8 FTA , .
 , 가 , FTA , ,
 , EU FTA . ASEAN
 FTA 가 , 2004 5 .
 FTA , ASEAN
 FTA 가 .
 · FTA 2004 4 2003 10
 2003 12 1 , 2 2
 2005 . 가 2004 1
 1 가 , 2 3 2004
 . ASEAN 2003 10 ,

2004 3 1 가
11

(EFTA)가 FTA 가 . FTA FTA 2004
가 .

2. FTA

WTO
(like-minded) 가

NGO 反 가 가
가 가

FTA WTO , . FTA
. FTA

가 FTA
FTA WTO 가
(WTO+). FTA
, , , , ,
가 . 2~3%
가 가

FTA
FTA 가
. FTA 가

가 가 .

(Safeguard)

가 .

3. FTA 가?

가.

가 70%

가 2 1
GDP 가 .
WTO 가
反 가

FTA .
가 FTA , 2004 FTA

FTA 가
가 가
FTA 가
(2004)

NAFTA, EU

•

가

가

FTA가 가

•

FTA

가

•

EU

FTA

FTA

4.

가.

5 , 10

. DDA FTA

가

. DDA

가 가

UR ,

UR

UR

가

가

가

NAFTA

가
가

가

가

가가 가

가

가

2004 가 「FTA」 FTA ,
FTA

FTA 가 가 ,
가 NAFTA
“ 가 ”
74%

49% FTA “ 가”
가

가 . NAFTA NAFTA
가 . 가
FTA APEC

UR FTA 親FTA 親FTA
FTA FTA 親FTA
COECE(Foreign Trade Business
Coordinator) FTA

FTA

가

가

. FTA

. NAFTA
100

2~3
NAFTA

가

가
1994

가

5.

가. • FTA

FTA

가

FTA

가

FTA

가

가

가

가

가

가

가

, 가 .

• FTA

NAFTA, FTAA

, 가 , 가 , .

, FTA (BIT)

FTA
FTA가
가 , , , ,

FTA

USTR

, 가 , , , ,

. . , . . FTA

가 , ' . 3 가

가,

,

가

가

FTA

가 가

WTO 가 가 가

. , . FTA

FTA , 가

가가

가

FTA

가 가

, 가

FTA

가 . , 가 , ASEAN, 가 , FTA
, 2004 ,

DDA

, · FTA

가

가

가

· FTA

가

가

FTA 가

WTO

· FTA

· FTA

FTA가

, 가 , ASEAN,

FTA

. 2004. 『FTA - 』. 2004

. 2003. 『 · FTA 』. ·

· . 2000. 『 · ,

. 2004. 「 · FTA FTA 』. ·
(3 27). KOEX.

鄭仁教

FTA , (MSU) , 1996 1 2004 2 . 『FTA 가』, 『FTA』(), 『ASEAN FTA』(), “Regionalism and Free Trade Agreements in East Asia” FTA .

鄭宰和

FTA 가 FTA 가 . FTA .

Inkyo Cheong

Inkyo Cheong is Professor of Economics at Inha University, Incheon, Korea. He is a director of Center for FTA Policies at the university, and he is actively involving in Korea's official studies for several FTAs such as a Korea-Japan FTA, a Korea-ASEAN FTA, etc. He has been Research Fellow for eight years in Korean Institute for International Economic Policy (KIEP), Seoul, Korea. He has been instrumental in establishing the groundwork for and has been actively involved in negotiating of Korea's first FTA with Chile. He holds a Ph.D. in Economics from Michigan State University, majoring economic integration and general equilibrium trade modeling. He has published several journal articles and books on the issues of Korea's trade policy, especially FTAs, and APEC's regionalism. His recent publication is *Economic Integration in East Asia: Recent Development of FTAs and Policy Implications*.

Jae-Hwa Jeong

Jae-Hwa Jeong is a leader of FTA team at Trade Research Institute of Korea International Trade Association (KITA), Seoul, Korea. He has been doing researches and studies on trade at KITA and led the FTA team for more than 3 years now. He participated in the joint study on a Korea-Japan FTA and is now making a contribution to the joint study on a Korea-ASEAN FTA as a representative of Korean private sectors. He attained a master's degree in Economics from university of Oregon majoring in international trade. He has published several books and reports and accomplished a few governmentsponsored studies, especially on the FTA related issues. His recent reports are *The Effects of the Korea-Chile FTA on Korean Consumers, the US-Australia FTA and its Effects on Korea's Exports, and the Japan-Mexico FTA and its Effects on Korea's Exports*.