

Korea Chair Snapshot

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What is the Road Ahead for the New China-Korea FTA?

- Despite the agreement announcement on the sidelines of APEC, 22 chapters still require technical negotiations, with a formal agreement slated for mid-2015, at the earliest.
- The agreement is not as high-quality in scope as the KORUS FTA, covering only 70 percent of agricultural products and excluding sensitive products such as rice, steel, and automobiles.
- The forecast, nevertheless, is that once implemented it will immediately cut \$8.7 billion in tariffs on Korea's imports to China, the ROK's largest trading partner.
- The FTA announcement will increase speculation about Korea's strategic "tilt" towards China, but Seoul is likely to use the FTA as a platform for pushing its own future entry into the U.S.-led Transpacific Partnership (TPP) regional trade agreement and, further down the road, perhaps act as a bridge to facilitate China's entry to TPP.

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