

JOINT STATEMENT

Korea-U.S. Business Council and U.S.-Korea Business Council

October 18, 2018

Seoul, South Korea

Members of the Korea-U.S. Business Council and the U.S.-Korea Business Council (the “Councils”) highlighted the longstanding, strong economic, political, and cultural ties between the two economies, as well as the renewed potential for mutually-beneficial collaborations between U.S. and Korean businesses. With global trade facing significant challenges, the Councils reiterated the importance of continued cooperation across a variety of sectors to advance our bilateral economic and commercial relations.

In the economic sphere, the Councils once again expressed strong support for the U.S.-Korea Free Trade Agreement (KORUS FTA) as a platform to expand bilateral trade and investment ties and create new business opportunities. Both Councils applauded the recent signing of the KORUS FTA amendments by President Moon and President Trump in New York, and both expressed hope to see the new agreement ratified in Korea’s National Assembly in the near future. Both Councils reiterated our continued opposition to the U.S. administration’s consideration of targeted tariffs under Section 232 on auto imports in the name of national security—particularly on imports from South Korea, a treaty ally and key security partner of the United States. Both Councils underscored the benefits of free trade and their opposition to the imposition of trade restrictions, except according to well-established international rules.

Recognizing that both Korean and American firms are global leaders in services and many advanced technologies, the Councils hope that the business communities of both countries will undertake new initiatives that create U.S.-Korea partnerships in emerging sectors and will provide joint leadership in the region on future frameworks to advance free, open and transparent trade and investment.

We reiterated that KORUS remains a gold standard FTA and is one of the most advanced FTAs in Asia to date. It has set high standards with its chapters on investment, e-commerce, and other fields, setting an example for future agreements. Those provisions are not only important for Korean companies operating in the United States (and vice versa) but in other markets where we face challenges related to data localization, investment restrictions, and other non-tariff barriers.

To this end, we discussed innovative technologies including those related to the digital economy, such as cloud computing, AI, and autonomous vehicles. In particular, we discussed the importance of regulatory coherence in this space, and highlighted efforts underway to deregulate and expand the scope of cloud usage in the financial services sector. While we believe the regulatory reform efforts are positive in many ways, there were concerns that they may be inhibiting the introduction of innovative products by foreign firms operating in the market and slowing the development of primary elements of the 4th Industrial Revolution. Both Councils recognized the need to continue dialogue between stakeholders in the private sector and the government to mitigate these concerns.

Additionally, the Councils emphasized the importance of cooperation with our respective governments to streamline and harmonize regulatory frameworks to facilitate growth in these new areas. The Councils recognized the ongoing deregulation initiative under the Trump Administration and support the Moon Administration's work to redouble its regulatory reform efforts. We jointly encouraged frequent and transparent dialogue to enhance transparency in business-related policy decisions, maintain stability in the economy, and ensure that policies are fully-deliberated with all stakeholders before being implemented.

The Councils also recognized the long-standing U.S.-Korea security partnership and its contributions to the maintenance of peace and stability on the Korean peninsula. The Councils welcomed updates from policymakers in the Korean government about the historic changes we've seen in the relationship between South and North Korea.

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