Korea’s Bogor Goals Progress Report (as at 13 August 2012)*

Highlights of Achievements and Areas for Improvement

- Tariffs remain relatively high in the agriculture sector. Average tariffs are around eight times higher than non-agriculture products.
- Korea is building an extensive FTA network. Korea’s commitments in services are beyond those under GATS.
- Only 29 sectors among 1,083 business sectors are fully or partially restricted to foreign investors. Some audiovisual services have experienced more openness recently.
- Korea actively participates in international standardization activities and is continuing to align its domestic standards to international standards.
- The implementation of a Single Window System is making customs procedures more efficient.
- Reforms in the systems of Intellectual Property Rights and Competition Policy were implemented to strengthen laws.
- Korea is simplifying its regulation system. For example, licensing regulation methods follow a negative approach now (only list those activities which do not need a license).

Summary of Updates

Tariffs
Korea reported that its MFN applied tariff single average was equal to 12.1 percent and its tariff average based on import tariff revenue reached 2.2 percent for year 2009.

However, tariffs remain relatively high, especially in the agriculture sector. Average tariffs in agriculture are around eight times higher than non-agriculture products. Tariff rate quotas are provided for the imports of some agricultural products.

Non-Tariff Measures
Currently, in compliance with domestic legislation or international agreements, technical regulations and sanitary and quarantine measures are in place to protect national security, human health, hygiene and sanitation, animal or plant life, and environmental conservation or essential security interests.

Services
In recent years, Korea has created a network of RTA/FTAs with many partners around the world, under which Korea is undertaking deeper commitments in many sectors concerning market access and national treatment than those under GATS.

As part of the efforts to improve transparency in services, proposals for policy changes related to services are published through various procedures such as a pre-announcement of legislation and public notifications.

* This brief report was prepared with information from Korea’s submission of 2012 APEC Individual Action Plan (IAP) template and the minutes of the meeting of Korea’s WTO Trade Policy Review from October 2008.
Investment
Korea’s investment regime is neither subject to performance requirements on foreign investors nor restrictions on transfers of capital. Only 29 sectors among 1,083 business sectors were fully or partially restricted to foreign investors as at 2009. The Amendment of the Broadcasting Law in 2010 permitted foreign investment in general service and news-reporting channels, as well as raised the proportion of foreign investment allowed in satellite broadcasting business. The Amendment of the Law on Promotion of Foreign Investment 2010 removed the requirement for minimum amount of investment.

To improve the transparency in investments, the Consolidated Public Notice for FDI (in English) is released annually, covering the restrictions on foreign investments other than those stipulated by Foreign Investment Promotion Act 2009. As of January 2012, Korea has Bilateral Investment Treaties (BITs) with 92 economies, with 86 BITs being enforced and six signed.

Standards and Conformance
As of December 2010, 14,177 of 23,622 standards in Korea are harmonized with international standards, equivalent to an adoption rate of 60%. Korea has continued aligning with international standards. In addition, the Korean Agency for Technology and Standards (KATS) is implementing its third National Standards Plan (2011-2015) to further develop standards for Korea’s growth engine industries, improve quality of life and streamline certification systems.

Korea actively participates in international standardization activities at international bodies, such as the International Electrotechnical Commission (IEC) and the International Organization for Standardization (ISO), serving as the Secretariat for 17 ISO technical committees and sub-committees (TC/SCs), and five IEC TC/SCs. Besides, Korea is a member of the APEC Mutual Recognition Agreement (MRA) on Conformity Assessment of Telecommunications Equipment (Phase I & II), the Asia Pacific Laboratory Accreditation Cooperation (APLAC) MRA, the Pacific Accreditation Cooperation (PAC) MRA, and the International Committee of Weights and Measures (CIPM) MRA.

On transparency, KATS operates a web-based (Korean Standards) Development System to support the establishment, revision, and withdrawal of standards. Relevant information is notified to WTO.

Customs Procedures
Korea has concluded Mutual Recognition Agreements with the United States, Canada, Singapore, Japan and New Zealand.

In 2009, Korea introduced the Air Cargo Radio-Frequency Identification (RFID) Management system, which simplifies the process of cargo entry & withdrawal through the Air Cargo Entry & Withdrawal System using the RFID technology. Korea is operating the Internet Electronic Clearance System called UNIPASS, which allows traders to proceed with the import & export declaration and clearance procedure online. Korea’s Single Window System, is also in operation, saving logistics costs by combining the import & export declarations and requirements verifications. The Single Window System in Korea is quoted as an example of best practice in
the World Bank’s Doing Business 2010 ranking, given the benefits it brought to private sector on freight storage, inventory and labor cost savings.

**Intellectual Property Rights**

Korea enacted the Framework Act on Intellectual Property in May 2011 and the National Committee on Intellectual Property, a government control tower for IP policies, was established in July 2011. Korea signed the Locarno Agreement and Vienna Agreement in April 2011 to adopt international classification for industrial design and trademark. In addition, Korea launched the Special Judicial Police to reinforce crackdown of counterfeits in August 2010.

The Copyright Act was amended and came into force in July 2011. The revision categorizes Online Service Providers (OSPs) and clarifies on specific requirements for the limitation of liability in different OSPs; expands the definition of Technological Protection Measures (TPMs) and prohibits any direct and indirect circumvention of TPMs. Moreover, in order to combat copyright piracy through online storage services spotted as the hotbeds of illegal contents in Korea, the Telecommunications Business Act was revised and came into force in November 2011. The Act makes the registration compulsory for the operators who run online storage services or P2P services in Korea.

To promote transparency, Korean has set up the Design Map website in 2009 to provide search functions for registered designs of 54 items within and outside Korea. Also, a patent application guide for Korea and other economies became available.

**Competition Policy**

Since Korea adopted the Competition Impact Assessment in 2009, the country has abolished anti-competitive laws and regulations based on its results.

Korea released the Consent Resolution in December 2011 to protect consumers and enterprises from anti-competition behaviors. The Korea Fair Trade Commission is working on market restructuring and it is analyzing markets to prevent cartels or any abuse of market dominant position, especially in industries such as information technology, pharmaceutical, financial, intermediate goods production, and services.

**Government Procurement**

As a WTO Government Procurement Agreement (GPA) signatory, Korea imposes no restrictions on foreign goods, services or suppliers, and has no preferences to domestic suppliers in accordance with 1997 GPA. Korea is also in the process of domestic procedures to ratify revised GPA, which was concluded in December 2011 and adopted in March 2012. The Korea Public Procurement Service (PPS) has operated Korea online e-Procurement System (KONEPS) since 2002 for greater transparency and efficiency in public procurement. As of December 2011, PPS has entered MOUs with 17 countries for sharing e-Procurement experiences, and four have adopted KONEPS-based e-procurement systems.

To encourage fair dealing, Korea introduced the Fingerprint Recognition e-Bidding System in April 2010, in which an individual user can only represent one company through the use of a biometric security token. This helps to eradicate collusive acts such as lending supplier’s e-
Certificates. The Corrupt Activity Analysis System was implemented in July 2009, generating data to detect possible collusion, and the result are reported to the relevant agencies for further investigation/interrogation.

Deregulation/ Regulatory Review
In 2009, to improve long-term economic growth potential and job creation, Korea Government promoted the Regulatory Reform for New Growth Engine Industries. It cleared off various stumbling blocks that hinder the development of future growth industries such as new and renewable energy and green technology. The Regulatory Information System was also implemented in the same year, which is an integrated and comprehensive system to examine the regulatory reform process. Korea is identifying administrative rules that are not registered in the Regulatory Information System in order to make them subject to regulatory screening.

Korea has converted licensing regulation methods from positive (listing which activities need a license) to negative (listing which activities do not need a license), and adopted the principle of differential regulation application in terms of criteria, procedure, timing and others, depending on the company size and regional features.

Mobility of Business People
Foreign Financial Investors card holders are allowed to use the exclusive immigration inspection booths. Registered Foreigners under specific categories can use automated gates. The Fingerprint Identification System for Registered Foreigners was launched in July 2011. In April 2011, Korea agreed with the United States on automated immigration clearance services.

RTAs/FTAs
The Republic of Korea has actively engaged in FTA negotiations with over 50 economies. Currently, Korea has FTAs in force with Chile, Singapore, EFTA, ASEAN, India, Peru, the European Union and the United States.