



**Committee on Regional Trade Agreements  
Eighty-sixth Session**

**FREE TRADE AGREEMENT BETWEEN THE REPUBLIC OF KOREA AND COLOMBIA,  
(GOODS AND SERVICES)**

NOTE ON THE MEETING OF 20 SEPTEMBER 2017

*Chairman: Ambassador Walid DOUDECH (Tunisia)*

1.1. The 86th Session of the Committee on Regional Trade Agreements (hereinafter 'CRTA' or the 'Committee') was convened in Airgram WTO/AIR/RTA/11 dated 9 August 2017.

1.2. Under Agenda Item C.I of the Session, the CRTA considered the Free Trade Agreement between the Republic of Korea and Colombia, goods and services, (hereinafter "the Agreement").

1.3. The Chairman said that the Agreement had entered into force on 15 July 2016. It had been notified to the WTO by the Parties on 5 October 2016 under Article XXIV:7(a) of the GATT 1994 and the Understanding on the Interpretation of Article XXIV of GATT 1994 as an Agreement establishing a free trade area (document WT/REG375/N/1) and under GATS Article V:7(a) as an Agreement providing for the liberalization of trade in services within the meaning of Article V of the GATS (document S/C/N/868). The text of the Agreement was available, together with its Annexes, on the Parties' official websites.

1.4. The Factual Presentation on the goods and services aspects (document WT/REG375/1 dated 10 July 2017) and questions and replies on the Agreement (documents WT/REG375/2 and WT/REG375/2/Corr.1 dated 14 and 15 September 2017 respectively) had been distributed.

1.5. The representative of the Republic of Korea thanked the Secretariat for preparing the meeting and the Factual Presentation, as well as Members for their interest and insightful questions on the Agreement. He also thanked Colombia for its cooperation in jointly preparing for the Session with Korea.

1.6. Korea valued the Committee's work to ensure the transparency of RTAs and evaluate their consistency with WTO rules. The procedure also allowed Members to be informed of recent developments on other Members' RTAs and provided opportunities for deeper understanding on them.

1.7. Korea and Colombia maintained strong ties dating back to the Korean War, in which Colombia had been the only South American nation to participate. The Parties had initiated FTA negotiations in December 2009 with a goal to extend political ties to a deeper economic interdependence. They had concluded the FTA negotiations in February 2013 and had brought the Agreement into force in July 2016. As of 2016, the first year of the Agreement, two-way trade in goods between Korea and Colombia stood at US\$1.29 billion. Korea's exports to Colombia amounted to US\$853 million, while the volume of imports from Colombia was US\$433 million.

1.8. The trade between Korea and Colombia was complementary in the sense that Korea exported industrial products such as automobiles, auto parts and chemicals to Colombia while Colombia exported natural resources and agricultural products to Korea, such as coal, coffee, copper and aluminium.

1.9. The Agreement was comprehensive and high-standard, and aimed at fostering a favourable environment for free trade and investment. In the area of goods, in the second year of the

Agreement, 82.4% of Korean tariffs and 60.6% of Colombian tariffs had been eliminated, with virtually all remaining tariffs to be lifted by 2036 except for those excluded from the commitments of the Parties. Korea believed that the Agreement was fully consistent with the WTO obligations of both countries and it built upon and went further than the two countries' WTO commitments in many areas.

1.10. In regard to services and investment, the Agreement provided GATS-plus outcomes for the Parties' respective service suppliers, including but not limited to business, communication, engineering, distribution, education, and environmental services.

1.11. The Agreement's disciplines and commitments went beyond market access in goods and services and extended to other important areas such as the movement of natural persons, government procurement, and intellectual property rights at WTO-plus levels.

1.12. The Agreement also featured components to further strengthen the complementary bilateral trade structures of the two countries. Specifically, it included a separate chapter for cooperation, which provided detailed provisions for closer cooperation in the fields of agriculture, fisheries, forestry, energy and mineral resources.

1.13. The Agreement was delivering new business opportunities for Korean enterprises with reduced tariff rates and rules of origin. Already, Korean industries were enjoying immediate benefits from preferential tariffs in the sectors of automobiles, auto parts, chemicals, cell phones, and home appliances. At the same time, Colombian industries were enjoying benefits for products such as coffee, flowers and ferronickel. The Agreement would serve as a model of a win-win FTA by further boosting both Parties' exports while stimulating more bilateral investment and vitalizing both economies.

1.14. Finally, he thanked Members for their participation in the Session and the Secretariat for its hard work. He was grateful to the EU, Thailand, Canada, Mexico and El Salvador for submitting questions on the Agreement and looked forward to a fruitful discussion.

1.15. The representative of Colombia thanked the Secretariat and officials from Korea for working together to prepare the documents for the consideration of the Agreement. He also thanked Members for their interest in the Agreement.

1.16. Since the early 1990s, Colombia's trade policy had been focused on the liberalization of trade in goods, services and investment. During the first stage of the policy, agreements had been negotiated with countries that were in geographical proximity to Colombia.

1.17. In the second stage, which had taken place during the first decade of the 2000s, free trade agreements had been negotiated with Colombia's main trading partners, such as the United States and the European Union, and with countries of the European Free Trade Association, Canada and the Northern Triangle of Central America (Honduras, Guatemala and El Salvador).

1.18. The third stage of the policy was geared to strengthening relations with the countries of the Asia-Pacific region and Oceania. The negotiation of the FTA between Colombia and Korea had been initiated in December 2009. The Agreement had been signed by the trade ministers of both countries in February 2013 and had entered into force on 15 July 2016.

1.19. This was Colombia's first trade agreement with an Asian country. Diplomatic relations between the two countries had begun in March 1962, which represented more than half a century of political relations. Colombia believed that the Agreement would be pivotal in strengthening the Parties' bilateral economic relationship.

1.20. Historically, trade between the countries had mostly involved exportation from Colombia of primary goods; mainly coal, coffee, crude oil, ferro-nickel, scrap metal and flowers. Exports from Korea had mostly consisted of industrial goods such as vehicles and parts, chemicals and metallurgical products.

1.21. Colombia hoped that the Agreement would serve as a gateway to other countries in Asia. Colombia continued to work on the diversification of its trading partners and saw great potential in that region, where there was a larger presence of its firms every day.

1.22. Colombia was confident that the Agreement would be implemented in a way which drove investment in strategic sectors. Colombia also hoped to conclude eligibility processes in the short or medium term so that goods from its agricultural sector could enjoy preferential conditions of access to the Korean market.

1.23. Furthermore, Colombia hoped that the Agreement would help to establish value chains and to identify cooperation projects that generated synergies, mutual understanding and the sharing of experiences to promote growth and reduce gaps in knowledge for the benefit of the populations in both countries.

1.24. The FTA between Colombia and Korea had been negotiated under the rules of the multilateral trading system. It complied with Article XXIV of the GATT 1994 for trade in goods and with Article V of the WTO General Agreement on Trade in Services.

1.25. The agreed disciplines for trade in goods included the elimination of tariffs on most products in ten years and for more sensitive goods within a longer period of time that did not exceed 19 years following the entry into force of the Agreement. Moreover, only a small number of tariff lines had market access under tariff quotas.

1.26. Regarding services, the purpose of the Agreement was to establish disciplines to reduce distortions and discriminatory treatment, and to introduce conditions of certainty and transparency for services and service providers of both countries. Furthermore, disciplines were established in the areas of telecommunications and e-commerce with a view to facilitating access to the market of the other Party, achieving transparency and guaranteeing free competition, among other objectives. These chapters had been reinforced by agreed provisions on investment, which were aimed at generating a fair and transparent legal context to increase capital flows between the Parties.

1.27. To conclude he again thanked the Secretariat, the Korean delegation and Members that in one way or another had made the consideration of the Agreement possible.

1.28. The representative of El Salvador said the Factual Presentation had been of great use in capital. El Salvador had submitted questions on services. She thanked the Parties for their presentations and said El Salvador had no further questions.

1.29. The representative of Thailand thanked the Parties for their responses to its questions on communication, distribution and environmental services. Thailand also appreciated the clarification regarding co-operation in the competition and consumer policy area. If Thailand had further questions it would submit them in writing.

1.30. The representative of the European Union thanked the Parties for their comprehensive presentations. The EU recognized the ambitious liberalization of trade in goods among the Parties with approximately 96% of tariff lines and 98% of imports liberalized, but over a period exceeding ten years. The EU had submitted a number of questions on TBT, customs related procedures, and on the commitments on co-operation under the Agreement. She thanked the Parties for their replies and said the EU had no further questions.

1.31. The representative of Canada thanked the Parties for their responses to its written questions.

1.32. The representative of Mexico thanked the Parties for the responses to its questions and said Mexico had no further questions.

1.33. The representative of the United States said both Parties were important trading partners for the United States and he appreciated the comprehensive presentations on the Agreement. He commended the Parties on a strong Agreement with excellent tariff coverage and GATS plus

services liberalization using a negative list approach. The United States had no additional questions.

1.34. The Chairman said that consideration of the Goods and Services Aspects of the Free Trade Agreement between the Republic of Korea and Colombia had allowed the Committee to clarify a number of questions and it could now conclude oral discussion of the RTA in accordance with paragraph 11 of the Transparency Mechanism. If any delegations wished to ask follow-up questions they were invited to forward submissions in writing to the Secretariat by 27 September 2017 and Parties were asked to submit replies in writing by no later than 11 October 2017. In accordance with paragraph 13 of the Transparency Mechanism all written submissions, as well as minutes of this meeting would be circulated promptly, in all WTO official languages, and would be made available on the WTO website.

1.35. The Committee took note of the comments made.

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