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| **Korea’s Bogor Goals Progress Report (as at 30 September 2016)[[1]](#footnote-1)\*** |
| **Highlights of Achievements and Areas for Improvement** |

* The average MFN tariff is high, particularly for agricultural products.
* Export/Import restrictions are still applied in some areas, but they have been reported to comply with international agreements.
* Foreign Investment Promotion Act amended to simplify procedures, including those pertaining to FDI notification and registration.
* Liberalization of services sectors through RTA/FTA commitments. Foreign ownership requirements are still in force in some sectors.
* Regulatory coordination mechanism put in place to evaluate harmonization of technical regulations with international standards.
* Introduction of various measures to facilitate customs procedures and trade such as simplified export scheme and establishment of ‘YES FTA Center’.
* IPR environment improved through amendments of existing laws and regulations.
* Establishment of Public Procurement Data System to better collect and manage data and statistics on public procurement across the entire public sector.
* Additional measures to facilitate mobility of business people, including easing of APEC Business Travel Card (ABTC) issuance requirements for small scale enterprises.
* Rapid expansion of RTA/FTA network through the entry into force of many concluded RTA/FTAs.

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| **Summary of Topics** |

**Tariffs**

According to the latest WTO World Tariff Profiles, Korea’s simple average MFN applied tariff remained at 13.3% in 2014. However, the simple average MFN applied tariff for agricultural products remained approximately eight times higher than that for non-agricultural products. The share of HS 6-digit subheadings with MFN applied tariffs above 15 per cent was 10.3% in 2014.

Following APEC Leaders’ commitment to reduce tariffs on environmental goods, Korea has completed implementation by reducing applied tariffs on 85 tariff lines to 5% in December 2015.

**Non-Tariff Measures**

92 export/import prohibitions and restrictions are applied, but they have been notified at WTO and reported to be in compliance with international agreements and implemented for legitimate reasons such as the protection of morals; human, animal or plant life or health; environmental conservation; or essential security interests. Korea’s Act on the Registration and Evaluation of Chemical Substances, which requires manufacturers and importers of certain chemical substances to register and undertake reporting requirements annually, entered into force in January 2015.

**Services**

Korea continues liberalization of its services sectors through commitments made via RTA/FTAs. In addition to the FTAs with United States and the European Union, services commitments were also made in the FTAs with Australia, New Zealand and China.

Some restrictions in foreign ownership remain in certain sectors such as telecommunications and air transport. There are also restrictions on the percentage of foreigners in the staff of foreign companies based in Korea. However, the government is planning to implement reforms in order to encourage greater foreign participation in some sectors.

**Investment**

To improve its position as a location of choice for investments, Korea amended the Foreign Investment Promotion Act in January 2016 to simplify procedures, including those pertaining to FDI notification and registration.

Furthermore, a regulatory information portal was set up in July 2015 to assist foreign-owned companies in resolving their grievances. Regular coordination meetings involving 21 government agencies have also been conducted since June 2015 to overcome issues faced by foreign investors.

**Standards and Conformance**

As at December 2015, 13,359 out of 20,582 standards in Korea had been harmonized with international standards. Korea has put in place regulatory coordination mechanisms to evaluate whether technical regulations overseen by all relevant authorities and government agencies are harmonized with international standards, and to identify overlapping technical regulations at the domestic level.

Korea participates actively in international standardization activities at international bodies. Korea is a participating member in 739 International Organization for Standardization (ISO) technical committees and sub-committees (TC/SCs) and 179 International Electrotechnical Commission (IEC) TC/SCs.

By end of 2015, seven specific trade concerns raised against Korea at the WTO SPS Committee had not reported a resolution. These concerns involve various products including livestock and beef. Pertaining to TBT, 31 specific trade concerns reported to the WTO TBT Committee had not reached a resolution. They relate to different regulations that Korea has put in place on goods including wood products, motor vehicles and cosmetics, among others.

**Customs Procedures**

Korea submitted its instrument of acceptance of the newly adopted WTO Trade Facilitation Agreement on 30 July 2015.

In an effort to facilitate trade through e-commerce, Korea established a simplified export scheme in 2014 which reduces the number of required details in the export declaration from 57 to 33. In November 2015, Korea also set up an export declaration platform which automatically converts information on overseas orders and sales of e-commerce businesses into export declarations.

To improve trade safety, Korea Customs Service has a joint inspection scheme with four other government agencies responsible for safety inspection.

Korea established ‘YES FTA Center’ in 2014 to support traders in their utilization of FTAs. Furthermore, Korea established the Electronic Origin Data Exchange System (EODES) between Korea Customs Service and General Administration of Customs of the People’s Republic of China to reduce clearance time and hence, ensure smooth implementation of Korea-China FTA.

**Intellectual Property Rights**

Korea undertook various efforts to improve its IPR environment. Amendments to the Patent Act and the Utility Model Act were put in force in January 2015. They allow patent applications to be made in English besides Korean and relaxes the formality requirements for submitting descriptions during the filing stage, among others. Korea’s Examination Guideline of Patents and Utility Models were also amended to be in line with the revised Acts above.

Amendments were made to the Trademark Act and the Trademark Examination Guidelines, including the addition of new chapter on non-traditional trademarks and updating of examples and cases in the guidelines so as to facilitate their understanding. In addition, the Design Protection Act and examination guideline were amended to facilitate multiple design application and expand the grounds for granting re-examination requests.

Moreover, the Civil Enforcement Act was amended in May 2014 to reflect the expectation that cross-border litigation against a national corporation would increase due to the entry into force of the Korea-EU and Korea-United States FTAs. The amended Act provides for the recognition and enforcement of not only foreign court judgments but also other court decisions recognized as having equivalent effect as those judgments.

Korea ratified the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled on 8 October 2015. Also, in July 2014, Korea made effective the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs.

**Competition Policy**

New circular equity investments were prohibited in 2014. Also, the Korea Fair Trade Commission (KFTC) pursued policies against anti-competitive practices including cartels, anti-competitive M&A, abuse of dominance and unfair trade practices. In 2014, KFTC imposed measures on 76 cartel cases and 122 unfair trade practices and conducted in-depth reviews on 27 M&A cases. KFTC also reviewed a total of 614 regulations, where 15 of which were suggested as anti-competitive. 9 of these 15 regulations were withdrawn or improved.

Korea continues to strengthen international cooperation in the area of competition policy by signing Memoranda of Understanding (MOUs) with Indonesia (2013), Brazil (2014), Japan (2014) and United States (2015).

**Government Procurement**

Korea ratified the revised WTO Agreement on Government Procurement (GPA) in December 2015. Additional public entities including 51 municipalities and 25 public enterprises are covered under the revised GPA, which took effect in January 2016. Korea also further liberalized government procurement through RTA/FTA commitments with Australia, New Zealand and Canada.

In 2015, Korea established the Public Procurement Statistics System (Ontong Procurement Statistics) to better collect and manage data and statistics on public procurement across the entire public sector. Korea also began providing via Open API public procurement information such as tender notices, contract awards and advance notices of procurement specifications. The latter requires central and local government entities to disclose preliminary specifications of the tender 5 to 10 days prior to official tender announcement so that prospective bidders are given the opportunity to challenge specifications that may prevent fair competition if any.

**Deregulation/Regulatory Review**

In accordance to the “Three-year National Plan for Economic Innovation”, Korea lifted 995 regulatory barriers in 2014. Korea has also introduced various initiatives whose objective is to remove overly burdensome regulations that have negative impacts on the economy.

**Dispute Mediation**

Korea actively participates in dispute settlement procedures at the WTO. Between 2014 and 2015, Korea raised two complaints and one complaint was brought against Korea.

**Mobility of Business People**

In March 2015, Korea streamlined immigration procedure by allowing foreign investors to use exclusive lanes at international airports. Korea also introduced a point system for the issuance of visa to foreign employees of technology-based start-ups. In September 2015, Korea eased APEC Business Travel Card (ABTC) issuance requirements for small scale enterprises.

**RTA/FTAs**

Korea has fourteen RTA/FTAs in force[[2]](#footnote-2). Currently, Korea is participating in the negotiations of the Regional Comprehensive Economic Partnership (RCEP), Korea-China-Japan Free Trade Agreement, Korea-Central America FTA and Korea-Ecuador Strategic Economic Cooperation Agreement (SECA).

1. \* This brief report was prepared with information from Korea’s submission of 2016 APEC Individual Action Plan (IAP) template; the WTO World Tariff Profiles; the WTO SPS and TBT Information Systems; and the Executive Office of the President of the Republic of Korea and Ministry of Environment websites. [↑](#footnote-ref-1)
2. Korea’s RTA/FTAs in force are: Korea-Chile (2004), Korea-EFTA (2006), Korea-Singapore (2006), Korea-ASEAN (2007), Korea-India (2010), Korea-EU (2011), Korea-Peru (2011), Korea-United States (2012), Korea-Turkey (2013), Korea-Australia (2014), Korea-Canada (2015), Korea-China (2015), Korea-New Zealand (2015), and Korea-Viet Nam (2015). [↑](#footnote-ref-2)