



Opening statement

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Korea-Japan-China's meeting together to seek ways of cooperation is very meaningful itself. And considering the current tension in such relationship discussion on non-political, non-security issues is preferable and raises expectation of fruitful outcome and its spillover effect to the overall relations in the region.

This new endeavor will provide us with an opportunity to anticipate three major countries in East Asia to figure out that they have more room to cooperate rather than confront each other.

Korea-China FTA is now at the final stage of completion after the two Summits announced in Beijing, but Korea-Japan FTA negotiations stopped since June 2012 due to political reasons. Korea is currently paying more attention to finalizing the Korea-China FTA and might resume Korea-Japan FTA talks as part of her efforts of extending to the Korea-China-Japan trilateral FTA but with no time schedule. Korea seems to think the ongoing TPP (Trans-Pacific Partnership) negotiations led by the U.S. come out in reality with the similar effect of U.S.-Japan FTA. Then Korea should decide whether officially join the TPP with taking advantage of the effect of Korea-Japan FTA.

Korea is proud of being a champion of Free Trade Agreement and promotes the concept of bilateral free trade regime as a win-win formula. However, in reality, there is no mutually beneficial agreement in the short term perspective. We, therefore, would better approach the FTA with a broader politico- economic perspective and in a longer time span.

Then, we should persuade our own people in diverse interest by explaining why the current compromise will come with further benefit later and make a win-win bilateral relationship and become sustainable. In addition, bilateral FTA as well as a trilateral FTA will provide a common ground for three countries to create in other regions and countries a new market of collaborated product and services.

Korea's agricultural sector and livestock industry is vulnerable to imported produce and the Korean government has always been struggling to put together a compensation package for the

influenced. However, on the other hand, such compensation often draws criticism from the market-oriented voices. They claim that the government's compensation for the farmers affected by the FTA will undercut the competitiveness of the agricultural sector rather than boost because the farmers become complacent not to compete against the foreign imported produce. However, helping the farmers suffering from low competitiveness is to become top priority of the politicians who represent rural constituent.

Discussions about economic and non-conventional economic issues including environmental ones are making the positive setting for three Asian countries to extend the cooperative spirit to political and security debate which seem to be hopeless considering multiple of issues of conflict and confrontation, i.e. interpretation of past history, territorial dispute.

Surely cooperation among three Asian countries in trade will affect other areas of finance and industry and build the common ground for prosperity of Asia as a whole.

Sharing the regretful context of the Asian Paradox, Korea also provides the root cause of disputes due to geopolitical context of divided Peninsula. That is why Korea has every reason to make further efforts in initiating the peace mechanism through enhancing socio-economic prosperity of Korea, China and Japan.

As part of its own efforts to contribute expanding free trade regime by tackling non-economic issues, Korea has tried to insert the clause of outward processing zone at the FTA document. Currently Gaesung Industrial Complex in North Korea is the only working one in this category. This complex is a symbol of inter-Korean economic cooperation and future collaboration in other areas which eventually lower the tension in the Peninsula as well as in Asia as a whole.

Korea should make a decision sooner rather than later whether to officially declare Korea will join the TPP led by the U.S.; and also make an announcement to join the RCEP led by China. Such decision should not be made out of Korea's strategic calculations in between Washington, D.C. and Beijing, but the reality shows us unstable and fragile peace cannot guarantee sustainable prosperity.

Therefore, at the first forum to seek cooperation of CJK we mostly focus on economic and environmental issues, but we won't be free from extended discussion of political economy of the trading system in the region.