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USTR Welcomes Full Reopening of Korean Market to U.S. Beef

Washington, DC -- United States Trade Representative Susan C. Schwab welcomed the agreement to fully reopen South Korea's market to U.S. beef exports consistent with international standards and World Animal Health Organization (OIE) guidelines. The agreement was announced in Seoul on April 18.

"I am pleased to announce that we have reached an agreement with the South Korean government to reopen the Korean market to all U.S. beef and beef products, from cattle of all ages," Ambassador Schwab said. "The import protocol is fully consistent with OIE guidelines and other international standards. I am very pleased that safe, affordable, high-quality American beef will soon be back on Korean tables. This will be a huge boost to our ranchers and producers who have waited patiently to regain the access to the South Korean beef market that was lost in December 2003."

"With this full resumption of U.S. beef exports to South Korea, the major obstacle to Congressional consideration of the United States-Korea Free Trade Agreement (KORUS FTA) is removed. The Administration will now work in earnest with Congress and the U.S. agriculture, manufacturing, and services sectors to pass the KORUS FTA. Along with the Colombia and Panama FTAs, the KORUS FTA will strengthen our economy and our standing in the world. The KORUS FTA – the most commercially significant FTA we have concluded in over 15 years – will create new opportunities for U.S. workers, farmers, ranchers, businesses, and entrepreneurs across the country. It will also deepen our relations with one of our closest allies, and strengthen our vital strategic economic engagement in Asia."

"I hope South Korea's leadership on this issue will convince leaders in Japan, Taiwan, China and other markets still maintaining unscientific, unreasonable restrictions on U.S. beef and beef products to take a hard look at this issue, consider the benefits for their consumers, and follow South Korea's lead in reopening their markets based on internationally recognized scientific guidelines and standards."

Background:

South Korea closed its market to U.S. beef and beef products after a case of Bovine Spongiform Encephalopathy (BSE) was discovered in the United States in December 2003. Prior to this time, South Korea was the third-largest export market for U.S. beef and beef products, and the United States exported \$815million worth of beef and beef products in 2003. South Korea partially reopened its market to deboned beef from cattle less than 30 months of age in January 2006, but this reopening was subject to several interruptions and the market has been effectively closed since October 2007.

The new protocol, which will take effect in mid-May, defines conditions for importation of U.S. beef to South Korea and provides for a full reopening of the market. It is fully consistent with OIE guidelines and will permit all U.S. beef and beef products from cattle of all ages to be exported to Korea, with appropriate Specified Risk Materials (SRMs), as defined by the OIE, removed, while guaranteeing commercial viability for U.S. industry.

The KORUS FTA was signed on June 30, 2007, and fully incorporates the provisions of the May 10, 2007, bipartisan trade agreement reached with Congress, including strong labor and environment protections. South Korea is our seventh-largest trading partner, with a \$1 trillion economy. Under the terms of the KORUS FTA, nearly 95 percent of bilateral trade in consumer and industrial products will become duty-free within three years of entry into force, while two-thirds of U.S. agricultural products will become duty free immediately. According to a September 2007 report by the International Trade Commission, the FTA's elimination of tariffs and tariff-rate quotas alone is projected to increase annual U.S. exports to South Korea by \$10 billion. The agreement also includes state-of-the-art provisions in areas such as intellectual property rights protection and financial services. More broadly, the KORUS FTA is a powerful symbol of the United States-South Korea partnership, augmenting our longstanding bilateral security alliance and robust ties.

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