



US-Korea Free Trade Agreement Security Services & Products



New Opportunities

- Nearly 95% of consumer and industrial products will become duty-free within the first three years after implementation
- Korea is a highly advanced, tech-oriented economy that can utilize and generate significant demand for state of the art technologies
- Korea is a \$1 trillion economy and the 7th largest US trading partner
- Korea has several mega-projects underway aimed at establishing the country as an international business center for North-East Asia, as well as a major financial and logistics hub

The benefits of the FTA for this sector are found in the improved access to Korean government procurement. The FTA builds and expands on the two countries' obligations under the plurilateral WTO Agreement on Government Procurement (GPA). Under the FTA, Korea will provide U.S. firms with non-discriminatory access to nine Korean central government entities that are not covered under the GPA. The FTA will also expand procurement open to U.S. suppliers by setting a threshold (contract values above which procurement is opened) that is nearly half the GPA threshold. The FTA also includes improvements in procurement practices, including reductions in tendering periods for purchasing commercial goods and services, and improvements in making procurement notices and other information available electronically. The FTA provides for a working group on government procurement to take up any issues, in particular, those related to information technology.

Industry Trends

In 2006, the overall size of Korea's security industry, including equipment and services, was estimated to be USD2.1 billion. Provision of security guard services continued to account for over 50 percent of the total security market following by leased and installed security equipment, which accounted for 25 percent of the market. Security devices took a 15 percent share. In 2006, airports and ports started to replace existing security systems while large private companies showed increasing interest in installing integrated security systems. The security industry is projected to grow by an average of 10 percent per year for the next few years.

Government agencies are end-users for integrated systems for security devices. U.S. systems, certified by the Transportation Security Administration (TSA) and the Federal Aviation Administration (FAA), should have growing market opportunities in Korea due to confidence in the quality of systems with these certifications. U.S. companies are encouraged to monitor government procurement plans and establish consortia with prime Korean contractors in systems integration.

Best Prospects

- Simulation chambers for passenger baggage and cargo
- Walk-through visitor surveillance systems
- Drug/explosive product detect/analyzing systems
- Explosives detection security systems integration for ports and airports

Business Tools

The US Commercial Service is ready to help your company enter and expand in the dynamic Korean market.

We can help you:

- ✓ Research market potential
- ✓ Locate and arrange appointments with qualified buyers and distributors
- ✓ Advise on intellectual property rights, regulatory hurdles, and government contracts
- ✓ Provide you with essential company background information that will help you make more informed decisions
- ✓ Launch your product in Korea with a promotional or technical seminar

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