



Free Trade With South Korea: THE FACTS

Benefits that can't be ignored

- Barriers that limit Canadian participation in the dynamic Korean market removed
- Korean tariffs eliminated on Canadian exports to help make Canadian goods more competitive in a range of industries:
 - Resources: agriculture, fisheries, forestry products, aluminium, nickel
 - Industrial: chemicals, cosmetics, auto parts, machinery & equipment, fertilizers
 - Advanced tech: pharmaceuticals, medical devices, aerospace, environmental goods
- Services sectors - responsible for 90% of new Canadian jobs - new opportunities for Canadian services providers in Korea, including in financial, high-tech & environmental services
- Secure & predictable environment for investors, boost investment in Canada
- More opportunities across Asia by using Korea as a launching point
- Lower prices and improved choice for consumers

Facts on South Korea

- **An attractive growth market for Canada**
 - Largest of four Asian tigers, GDP of \$1007B (2006)
 - A “gateway” to Asia (China & Japan)
 - Canada’s tenth largest export destination, more than Brazil and India combined
- Two-way merchandise trade— \$8.37B (2007)
- Two-way services trade—\$975M (2005)
- Two-way investment—\$1.1B (2006)

Results for Canadians

- ✓ New markets
- ✓ New customers
- ✓ New investors
- ✓ New links in supply and production chains
- ✓ New partnerships
- ✓ New opportunities for Canadian companies

Risks of not pursuing agreement

- **Competitive disadvantage for Canadian firms**
 - Korea has FTAs with Singapore, Chile, EFTA, ASEAN
 - Korea and the U.S signed an FTA in June 2007.
 - Currently negotiating with EU, Mexico and India
- Credibility risks for future negotiations
- Reduced opportunities throughout Asia-Pacific

Canada-South Korea negotiations

- Ongoing consultations reveal broad support across Canadian economy
- Negotiations launched in July 2005; 12 rounds of talks since
- Government will only sign a deal that’s good for Canada; Parliament will have final say