



**Asia-Pacific  
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## **WTO-Plus Elements of the Canada-Korea Free Trade Agreement**

Submitted by: Canada, Korea



**Trade Policy Dialogue on WTO-Plus Elements of  
Regional Trade Agreements and Free Trade  
Agreements  
Arequipa, Peru  
7 May 2016**

# WTO-Plus Elements of the Canada-Korea Free Trade Agreement

APEC Trade Policy Dialogue on  
WTO-plus Elements of RTAs and FTAs

Committee on Trade and Investment (CTI)  
May 7, 2016

Presented by:  
Canada and Korea

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## Background



Upon full implementation in 2032, more than 99% of bilateral trade will be duty-free.

## One-year Anniversary of CKFTA

- Bilateral merchandise trade stood at \$10.1 billion (USD) in 2015
- Canadian export gains to Korea (2015 over 2014):
  - Electronic products (12% increase to \$119 million)
  - Fish and seafood (13% increase to \$60 million)
  - Aerospace products (10% increase to \$22 million)
- Korean exports gains to Canada (2015 over 2014):
  - Iron and steel products (100% increase to \$284 million)
  - Cars over 3,000cc (26% increase to \$277 million)
  - Organic chemicals (40% increase to \$100 million)
  - Electronic motors (57% increase to \$24 million)

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## Services

- Cross-Border Trade in Services Chapter:
  - “Negative list” approach allowing to secure GATS-plus commitments in many sectors of export interest to Canada.
  - Inclusion of a ratchet mechanism and MFN obligation.
- Temporary Entry Chapter:
  - Covers five categories of business persons: Business Visitors; Traders and Investors, Intra-Company Transferees; Professionals; and Spouses.
  - Commitments go well beyond Canada and South Korea’s GATS obligations with broader coverage of activities and occupations.
- Telecommunications Chapter:
  - GATS-plus disciplines on the enforcement of commitments, the resolution of domestic telecommunications disputes, forbearance from regulation, and on the regulatory treatment of value-added telecommunications services

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## Technical Barriers to Trade (TBT)

### Standards-related Measures

- Builds on WTO Agreement on Technical Barriers to Trade (TBT)
- Subject to CKFTA dispute settlement

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## Investment

**Compared to TRIMs,  
broader scope and higher protection:**

	TRIMs	CKFTA
Scope	Investment measures related to trade in goods	Concerning investors of the other party and covered investments which includes goods and services
Protection	<ul style="list-style-type: none"> <li>• NT, quantitative restrictions</li> </ul>	<ul style="list-style-type: none"> <li>• NT, MFN, MSOT, Expropriation &amp; Compensation, Transfers</li> <li>• Prohibition of PR* &amp; nationality requirements for SMBD</li> <li>• ISDS procedures</li> <li>• Ratchet Mechanism and Negative list for reservations</li> </ul>

*\* PR article modeled after WTO TRIMs, but provides more expansive list of prohibited performance requirements*

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## Government Procurement

- Builds upon WTO's revised Agreement on Government Procurement (GPA) – both parties are members.

	Canada-Korea FTA	WTO Revised GPA
Central government agencies	Canada: Contracts above 100 million Korean Won Korea: Contracts above CAD\$100,000	Canada & Korea: Approx. CAD\$200,000 (130,000 SDRs)

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## Intellectual Property

- Builds upon TRIPs ensuring higher level of protection

	TRIPS	CKFTA
Trademark registration	<ul style="list-style-type: none"> <li>• May require that signs be visually perceptible.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Shall not</u> require that signs be visually perceptible</li> </ul>
<i>Ex Officio</i> Action at Borders	<ul style="list-style-type: none"> <li>• Does not require Parties to have <i>ex officio</i> powers</li> </ul>	<ul style="list-style-type: none"> <li>• Shall have procedures that enable the Party's competent authorities to suspend the release of, or to detain, goods suspected of infringing an IP right</li> </ul>
Cinematographic work	-	<ul style="list-style-type: none"> <li>• Shall have criminal procedures and penalties for unauthorized copying of cinematographic work</li> </ul>

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## Intellectual Property (con't)

- Builds upon TRIPs ensuring higher level of protection

	TRIPS	CKFTA
Copyright Infringement on the Internet	-	<ul style="list-style-type: none"> <li>• May order an online service provider to disclose information to the right holder</li> <li>• Shall provide measures to curtail infringement on the Internet or other digital network</li> </ul>

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## Other Elements

The CKFTA includes Competition policy, E-Commerce, Labour and Environment provisions not stipulated in the WTO

- **(Competition Policy, Monopolies and State Enterprises)** introduces provisions to enhance competition
- **(E-Commerce)** includes a commitment not to apply customs duties and other charges to digital goods and services that are transmitted electronically.

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## Other Elements

- **(Labour)** contains binding and enforceable labour provisions to respect and protect internationally recognized labour rights.\*

\* ILO's 1998 Declaration on Fundamental Principles and Rights at Work

- **(Environment)** contains commitments by both Parties on:
  - ✓ high levels of environmental protection
  - ✓ the effective enforcement of environmental laws, along with:
    - not waving or derogating to promote trade and investment
    - ensuring domestic remedies for violations
  - ✓ transparency and public participation

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## Questions?

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