

ROK's Position on TPP and Other FTAs

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Korea has pursued an active FTA policy. As a result, Korea has concluded bilateral FTAs with almost all major economies except Japan. In addition, Korea is now participating in the two major ongoing regional FTA negotiations, namely CJK FTA negotiations among Northeast Asian countries and RCEP (Regional Comprehensive Economic Partnership) negotiations among 16 East Asian countries, in which Japan is also involved. However, Korea had not participated in the TPP negotiations that were concluded in October 2015.

As for Korea's position on TPP, last October, in a meeting with U.S. President Barack Obama in Washington, President Park Geun-hye conveyed Seoul's desire to join the TPP. However, the Korea government has not made its final decision on the issue of joining the TPP. The Korean government failed to build a national consensus in time for participating the TPP negotiations, and now that the TPP is concluded, it seems to continue to evaluate the benefits and risks of joining the TPP as well as when to make its final decision. In my view, the Korean government should join the TPP, and I think that the Korean government will make a positive decision on joining the TPP. My sense is that, however, in order to minimize the political risks, the Korean government is likely to announce its decision after the National Assembly election which is scheduled in April. In addition, Korea's decision to join the TPP will depend on the TPP ratification processes of participating countries, especially on that of the United States.

When it comes to the tasks of Korea's FTA policy, among two ongoing regional FTA negotiations, the priority should be given to the CJK FTA negotiations. First, the CJK FTA among the three countries would normally be simpler to conclude than the RCEP, in which 16 countries participate. Additionally, since China, Japan and Korea are members of the RCEP, when the CJK FTA is concluded, the three countries would facilitate the formation of RCEP. Furthermore, when the CJK FTA is realized, it would be the most crucial step toward institutional economic integration in Northeast Asia.

Last but not least, Korea has to decide how to discuss FTA with Japan. Korea is currently discussing FTA with Japan for the CJK FTA and RCEP. In addition, it has to discuss FTA with Japan, if it decides to join the TPP. However, since Japan is the only major economy with which Korea has not so far concluded bilateral FTA, it may choose to resume the Korea-Japan FTA negotiations that started in December 2003 and have been stalled since November 2004, if Japan is also favorable to it.