

Summary

In July 2002, Japan and Korea established a Joint Study Group, composed of representatives from the government, business and academia of both countries, to appraise the possibility of establishing the Japan-Korea Free Trade Agreement (JKFTA).

The Joint Study Group reviewed an across-the-board range of issues for the possible scope of the negotiations. After intensive discussions over eight meetings, the Joint Study Group concluded that the JKFTA would bring forth mutual benefits by creating a win-win situation for both countries and become a cornerstone for peace and prosperity in East Asia. In order to maximize the benefits, the Joint Study Group accentuated that the JKFTA should be firmly built on the principles of comprehensiveness, substantial liberalization, enhancement of mutual benefits and consistency with WTO rules and regulations.

The Joint Study Group has now completed its work and recommends that :

1. Japan and the Republic of Korea enter into negotiations at an early date with a view to concluding the JKFTA within a reasonable period of time.
2. both governments would forge a comprehensive FTA that would bring about mutual benefits and greater efficiency, and eventually lead to further economic development in both economies.
3. taking into account the importance of NTMs on the JKFTA and the overall economic relationship between the two countries, the works on NTMs should be continued under the FTA negotiation framework as one of the sub-groups.

4. the business sectors in both countries actively utilize the JKFTA in facilitating restructuring and strengthening of their competitiveness, and further expand bilateral cooperation by pursuing strategic alliances taking the opportunity of the JKFTA and revitalizing various existing business-to-business fora.
5. the both governments take full account of the views of business sector in the negotiations for the JKFTA.
6. the academic sectors of both countries continuously carry out relevant studies with a view to giving advice to respective governments on various aspect of the JKFTA as well as presenting a vision for the future of both economies and the bilateral relationship between them.
7. further to the suggestions above, the governments, the businessmen, and the members of academia of both countries collectively exert efforts in promoting public awareness of the JKFTA and generating support for the JKFTA among the peoples of Japan and Korea, so that the formal negotiations would be launched soon and successfully concluded in time.