

Result of Korea-China FTA Negotiations on Agriculture and the Corresponding Plans (Final)

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Explanatory note on fishery products in Korea-China FTA

(Ministry of Oceans and Fisheries, Government of Republic of Korea)

1. Current status of trade concerning fishery products between Korea and China

□ (Current Status) China is a major fishery product trading partner to Korea, consisting of 27.2% of fishery import (US \$ 1 billion). The trade deficit for the Korean side is approximately US \$ 650 million per year.

(unit: million US \$)

Import and export of fishery products from China	2009	2010	2011	2012	2013
Export (A)	146	231	464	372	370
Import (B)	854	1,096	1,250	1,082	1,026
Trade balance (A-B)	-708	-865	-786	-710	-656

* Average tariff rate of fishery products in Korea (2012): 18.0%

** Export (in million US \$): 1st Japan (981), 2nd China (372) / Import (in million Us \$): 1st China (1,802), 2nd Russia (654)

○ Major imported products are major domestically consumed fishery products such as octopuses, yellow corbina, hair tail and others. Exported products are focused on raw material for process such as fish eggs and squids.

* Major Products on imports from China (Percentage of imports): Octopuses (15.3%), Yellow corbina (11.7%), hair tail (5.8%)

<Top 10 Fishery products on imports from and exports to China (2012)>

(unit: million US \$)

Rank	Export		Import	
	1	Fish eggs	46	Octopuses
2	Squids	40	Yellow corbina	127
3	Alaska pollack	34	Hair tail	63

4	Seaweed	31	Other fishes	59
5	Cod	29	Shrimps	56
6	Tuna	23	Shrimp meat	55
7	Bastard hailand	20	Goose fishes	48
8	Spanish mackerel	20	Loaches	44
9	Sea-bream	13	Short necked clam	41
10	Other crustaceans	10	Crabs	34

○ Due to rapid economic development in China, the consumption of fishery products is acutely increasing as well, providing an opportunity for export of fishery products.

* Fishery product consumption per person in China (kg/year): (2000) 11 → (2009) 30 → (2020) 40.8 (estimated)

2. The process of Korea-China FTA negotiations

□ **(Stage 1)** Settlement on the level of liberalization and on dealing with normal track-sensitive-highly sensitive items

Normal Track	Sensitive Track	Highly sensitive track
Tariff elimination within 10 years	Tariff elimination after 10 years and within 20 years	Excluded from concession, Partial elimination of tariff, TRQ*, Seasonal Tariff
Level of liberalization 90%, 85%		For highly sensitive track, 10%, 15%

○ Stating the agenda “sustainable and responsible fisheries” on the modality, providing a basis to discuss about illegal catching of fishes at the second stage.

□ **(Stage 2)** Based on the modality at the first stage, the first draft of FTA agreements and concessions of items were discussed during the second stage.

○ (Items) Detailed discussions were made concerning which items will be included in normal track (tariff elimination within 10 years), sensitive track (tariff elimination in 10-20years).

○ (Cooperation on agriculture and fisheries) The Korean government explained about its position on “sustainable and responsible fisheries” and argued that illegally caught fishes cannot be subjected to preferential tariffs.

3. Major results of negotiations

□ (Agriculture and fisheries) Parties agreed as following: total rate of liberalization 70 (number of items) /40 (Amount of Imports), TRQ/Partial reduction of tariff 30% (TRQ 16%, Partial reduction 14%).

<Agreement on the method of liberalization on agriculture and fisheries>

○ Rate of liberalization	70% (number of items), 40% (amount of imports)
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○ TRQ	Agriculture and fisheries 16% (amount of imports)
(Percentage of agricultural and fishery products)	7% (Agricultural products): within WTO TRQ items 9% (Fishery products): within 340 requested items by the Chinese government
(Amount)	Weighted average on all items 40% **
③ Partial Reduction	Agriculture and Fisheries 14% (amount of imports) Decreased to the average of 20% within 5 years
(High tariff)	Including 15 agricultural products (reduced below 130%)

* Major production and trading products such as octopuses, yellow corbina, goose fishes, crabs

** Taking the sensitivity into account, the quantity was distributed among the TRQ items within the average of 40%

□ (Concessions on Korean fishery products) Highly sensitive track 64.3% (Excluded from concession 30.4%, TRQ 29.2%, Reduction of Tariff 4.7%) is secured, with the rate of liberalization 86.2% of the items, 35.7% of the amount of imports.

○ Draft for concession is written with the consideration of economic factors such as the amount of imports with China, the amount of domestic production, policy factors such as TAC, adjustment duties and opinions of related parties.

Classification	Method	Number of Items	Percentage of items	Amount of import from China	Percentage among imports	Major products
Highly sensitive	Excluded from concession, TRQ, seasonal tariff	87	13.8	690	64.3	
	TRQ	14	2.2	313	29.2	Unavoidable import products among the second request from China such as Octopus (frozen), Goose fish (frozen) and others
	Partial reduction	9	1.4	50	4.7	High tariff products among the second request from China such as crab (frozen), Globe fish(frozen) and others
	Excluded from concession	64	10.1	327	30.4	Subjects to illegal fishing such as yellow corbina (Frozen), hair tail (frozen) and major production/resource management fish types
Sensitive	Tariff elimination in 20 years	429	68.3	384	35.5	Shrimps, shrimp meat (frozen)
Normal track	Tariff elimination in 10 years	113	17.9	2	0.2	salmon, shells
Total		629	100.0	1,076	100.0	

○ (Excluded from concession) Items that are excluded from concession are mainly those required to be excluded from preferential duty to Chinese fishery products such as items subjected to illegal fishing, items under tax adjustment, resource management.

* Related to illegal fishing: Yellow corbina (frozen), Hair tail (frozen), Bastard halibut (frozen), Hasted halibut (live), Sting ray (frozen), Sea-bream (frozen), Anchovy (dried) and others

* Related to tax adjustment: Mackerel pike (frozen), Sea-bass (live), Sea-bream (live), Croakers (live), Croakers (frozen), Eel (live), Squid (frozen) and others

* Related to resource management: Pen shell (live, frozen, dried), Crab (live, frozen), Mackerel (frozen), Top-shell and others

○ (TRQ) Items with the amount of imports already great and unavoidable, but are necessary to be capped to regulate the amount due to sensitivities.

* Octopuses (live, cold-storage, frozen), loaches (live), short-necked clam (live, cold-storage, frozen), goose fishes (cold-storage, frozen) and others

○ (Partial Reduction) Tariff will be partially reduced among the items that are not excluded from concession nor under TRQ (mostly 20 % of high tariff items) in order to minimize the opening of the market.

* Crab (frozen), globe fish (frozen), oyster (frozen, salting), sea tangle (dried), seaweed (seasoning, dried), sea mustard (dried)

□ (Concession of Chinese fishery products) Chinese fishery products are under complete liberalization (100%) and there is a possibility of increase in exports of fishery products to China.

* Average tariff of Chinese fishery products: 10.4% vs. Average tariff of Korean fishery products: 18.0%

○ Tariffs of most of 62 major export products to China such as seaweed, sea mustard, bastard halibut, abalone, sea cucumber and others are immediately eliminated or eliminated within 10 years, allowing the opportunities on market opening.

□ (Illegal fishery products) In order to achieve sustainable and responsible fishing activities, an agreement was made to activate a sound fishery trading.

○ Moreover, in order to exclude preferential tariff to illegal fishery products, major products subjected to illegal fishing such as yellow corbina, hair tail, crab, anchovy are included in highly sensitive list.

□ (Rules of origin) Indirect imports are blocked by applying the most conservative wholly obtained criterion to fishery-crustacea-mollusca and other fishery products in littoral sea.

○ Comparatively less strict rules of origin is applied to prepared or processed products that may be exported.

4. Evaluation on the result of negotiations

□ China is the biggest importer of fishery products in Korean market (27.2%) and Korea-China FTA achieved the lowest level of market opening among other FTAs in order to

minimize damages and opened the possibilities for export by entirely opening the Chinese market.

* Rate of liberalization on fishery products in major FTAs (number of items/amount of imports)

- Korea·US FTA: 99.3%/100%, Korea·EU FTA: 99.3%/99.3%

** Rate of liberalization on fishery products of Korea·China FTA: number of items 86.1% / amount of imports 35.7%

○ (Minimizing the damage) Safeguard measures on production and resource management of domestic fishery products were secured by including most of imported products from China in highly sensitive list.

- Twenty major domestic products (85.3% of the total amount of production) such as squid, bastard halibut, anchovy, hair tail, seaweed, mackerel, crab, abalone, yellow corbina and others are included in highly sensitive list.

- Moreover, items under adjustment tax such as sea-bass, sea-bream, croakers, eel and items under resource management such as crab, top-shell, saurel, sting ray are included in highly sensitive list.

- Partial reduction of tariff (within 2% p) is applied in items under comparatively high rate of tariff (20% of high rate of tariff) such as oyster, cod, sea mustard and others in order to minimize the opening of the market.

- Items that require restriction on imports and need to control domestic supply by applying TRQ on certain amount due to high percentage of imports and weak basis of domestic production.

* Such measure will minimize the impact on domestic market by operating TRQ to control domestic supply and secure supplementary domestic plans by preparing public auction payments of more than 10 billion Korean won.

<Items under TRQ (Examples)>

Items	Tariff	Amount of imports (2012, unit: in US \$ 1,000)
Octopus (frozen)	20	106,807
Octopus (live, fresh cold-storage)	20	42,521
Short necked clam (live, fresh or cold-storage)	20	32,231
Short necked clam (frozen)	20	1,099
Top-shell (processed or processed for storage)	20	200

□ 35.5% of fishery products other than items under highly sensitive list (64.3%) are to be applied 15 years to 20 years of long-term tariff elimination.

○ Items under short-term tariff elimination within 10 years are merely 0.2%, therefore the impact on the domestic market is not expected to be big.

* Fishery products (highly sensitive) 64.3%, (sensitive list) 35.5%, (normal track) 0.2%

□ Fishery market in China will be 100% liberalized and such measure will give an opportunity for the expansion of exports to China.

* Average tariff of Chinese fishery products: 10.4% vs. Average tariff of Korean fishery products: 18.0%

○ Liberalization of the market will be greatly increased by immediate elimination or elimination within 10 years concerning most of 62 major products exported to China such as seaweed, sea mustard, bastard halibut, abalone, sea cucumber and others.

※ A relaxed rules of origin will be applied in order to increase the export of Korean fishery products and processed products with possibilities to export to Chinese market.

□ Due to illegal fishing in China, major products that are from illegal fishing are included in the highly sensitive list in order to exclude them from preferential tariff.

○ (Exclusion from preferential tariff) Based on the illegally caught fishery products as found and confiscated by the Korea coast guard, such products are excluded from concession or applied minimum reduction of tariff. Measures such as minimization of TRQ amount are also promoted.

- Especially, major products under illegal fishing by Chinese ships in Korean EEZ such as yellow corbina, hair tail, anchovy, bastard halibut and others are excluded from concession.

* **Excluded from concession:** Yellow corbina (frozen), hair tail (frozen), bastard halibut (frozen), bastard halibut (live), sting ray (frozen), sea-bream (frozen), anchovy (dried), mackerel (frozen), flatfish(frozen) and others

* **Partial reduction:** Crab (frozen)→ 1% tariff reduction (original 14% → after reduction 13.86%)

* **TRQ:** Goose fish (cold-storage, frozen) → Only 10% of the amount imported in 2012 are subjected to tariff quota.

○ (Cooperation in fishery matters) Two countries agreed to cooperate on the establishment of measures on regulating illegal fishing on the FTA agreement in order to achieve sustainable and responsible fishing and a sound trading of fishery products.

5. Domestic plans

◆ After the final agreement on Korea-China FTA, it is stipulated that domestic supplementary measures should be established after six months of agreement, based on the economic assessment of the impact of FTA.

*Special Act on assistance to farmers, Fishermen, etc. Following the conclusion of free Trade Agreements (FFAs)

□ Directions of the plan

○ FTA will be considered as an opportunity to improve the fishery industry by ameliorating the structure and to strengthen the competitiveness of the fishery industry by discovering new engines for growth.

* Improving the competitiveness of culturing industry, modernizing of fishery resource management, reforming fishing vessel fishery structure.

○ Expansion of domestic basis will be achieved by improving the supply structure of fishery products and by raising processed products industry. Life style of fishery village will be improved by stabilizing fishermen and by enhancing the welfare of fishery village.

* Raising fishery food industry, improving supply structure of fishery products, stabilizing fishermen income, enhancing welfare of fishery village.

○ Preemptive reaction to the liberalization of the opening of gigantic Chinese market will give opportunities to expand exports to China by promoting export infrastructure and marketing.

* Trading office (Shanghai), Anchor shop for fishery products (Wuhan), Fishery Expo (Fuzhou), Ultralow temperature cold-storage (Chengdu)

□ Establishment of plans

○ “FTA Comprehensive Plan Bureau” in Ministry of Oceans and Fisheries will establish scientific plans by joint analysis with professional research institutes.

* Research project concerning domestic plans on Korea-China FTA (May 2014 ~ May 2015)/ Korea Maritime Institute

○ On establishing domestic plans, fishermen’s participation will be encouraged to prepare an effective plan that fishermen could substantially be benefited.

* Dispatch of field investigators consisted of fishermen to China (four times), gathering of opinions by opening several meetings for different types of businesses.

□ Upcoming plans

○ Analysis of production per items and impact on import and export: immediately after the agreement

- Submission of established plans to the National Assembly: Within six months after the agreement

Appendix 1 **Top 30 Imported products from China**

#	Finalized product	Detailed product	Tariff rate (%)	Amount of imports worldwide (in US \$ 1,000)	Amount of imports from China (in US \$ 1,000)	Percentage of imports from China (%)	Trade balance per product (in US \$ 1,000)
1	Yellow corbina	Yellow corbina (frozen)	10	124,703	124,661	100.0	-123,562
2	Octopus	Octopus (frozen)	20	132,210	106,807	80.8	-131,539
3	Hair tail	Hair tail (frozen)	10	101,215	61,854	61.1	-97,080
4	Other shrimps	Shrimp meat (excluding smoked products)	20	151,272	54,228	35.9	-151,102
5	Goose fish	Goose fish (frozen)	10	65,423	47,363	72.4	-64,983
6	Loaches	Loaches (live)	10	44,011	44,011	100.0	-43,968
7	Octopus	Octopus (live/fresh, cold-storage)	20	42,702	42,521	99.6	-42,415
8	Crab	Crab (frozen)	14	44,379	33,952	76.5	-38,223
9	Short necked clam	Short necked clam (live/fresh, cold-storage)	20	32,239	32,232	100.0	3,389
10	Other fishes	Other fishes (others/frozen)	10	172,877	27,529	15.9	-170,114
11	Sea-bass	Sea-bass (live, excluding fries for cultivation)	28	25,533	25,533	100.0	-25,482
12	Shrimp	Shrimp and penaeidea shrimp (others)	20	67,801	20,216	29.8	-67,719
13	Sand eel	Sand eel (frozen)	10	19,070	19,070	100.0	-18,928
14	Other mollusca	Other mollusca (others)	20	40,029	18,886	47.2	-38,303
15	Squid	Seasoned squid	20	22,692	16,695	73.6	-15,770
16	Other shrimps	Other shrimps (dried)	20	16,158	16,012	99.1	-15,994
17	Salt	Table salt	8	16,283	15,536	95.4	-14,260
18	Scallop	Scallop (live/fresh, cold-storage)	20	24,990	14,375	57.5	-24,969
19	Sea-bream	Sea-bream (live, excluding fries for cultivation)	28	34,832	14,069	40.4	-34,831
20	Salt	Bay salt	1	168,704	13,269	7.9	-167,977
21	Globe fish	Globe fish (frozen)	10	14,261	12,862	90.2	-14,157

22	Other mollusca	Other mollusca (fresh, cold-storage)	20	14,835	12,640	85.2	-8,535
23	Mackerel	Mackerel (frozen)	10	61,248	12,330	20.1	743
24	Sea-bream	Other sea-bream (frozen)	10	15,263	11,547	75.7	20,313
25	Croaker	Croaker (live)	28	10,457	10,457	100.0	-10,457
26	Other crabs	Other crabs (frozen)	14	44,560	10,454	23.5	-30,660
27	Other fishes	Other fishes (live)	10	9,432	9,217	97.7	-5,933
28	Other shrimps	Other shrimp meat (excluding smoked products)	20	141,213	9,129	6.5	-133,593
29	Other shrimps	Other shrimps (salted, in brine)	38	9,508	9,008	94.7	-8,910
30	Other fishes	Other fishes (frozen)	10	37,401	8,092	21.6	9,131

Appendix 2 Top 20 products based on the amount of production

#	Product	Amount of production in 2012 (in KRW million)	Percentage of production (%)	Accumulated percentage (%)	Related products (number)
1	Tuna	1,034,028	13.4	13.4	34
2	Squid	757,197	9.8	23.3	8
3	Bastard halibut	652,846	8.5	31.8	7
4	Anchovy	286,224	3.7	35.5	6
5	Hair tail	285,063	3.7	39.2	3
6	Seaweed	277,507	3.6	42.8	7
7	Mackerel	266,296	3.5	46.3	5
8	Crab	256,952	3.3	49.6	3
9	Abalone	251,149	3.3	52.9	7
10	Yellow corbina	202,237	2.6	55.5	3
11	Oyster	200,059	2.6	58.1	9
12	Rock fish	188,181	2.4	60.6	2
13	Eel	173,319	2.3	62.8	6
14	Flatfish	169,597	2.2	65.0	6
15	Octopus	161,590	2.1	67.1	8
16	Conger	157,848	2.1	69.2	7
17	Spanish mackerel	139,130	1.8	71.0	2
18	Small octopus	128,798	1.7	72.7	2
19	Croaker	128,600	1.7	74.3	2
20	Shrimp	106,416	1.4	75.7	17
Others	Sea mustard	80,897	1.1	76.8	7

	Sea tangle	50,211	0.6	77.4	6
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Appendix 3 **Other factors under consideration on the policy**

□ TAC items, items subjected to adjustment tax, items subjected to resource management will be considered in formulating the policy

○ (TAC items) Eleven individual fishery products (single fish species) in which the amount of yearly catch is being capped in order to manage the resources

#	Finalized product	Detailed product	Tariff rate (%)	Amount of imports worldwide (in US \$ 1,000)	Amount of imports from China (in US \$ 1,000)	Percentage of imports from China (%)	Trade balance per product (in US \$ 1,000)
1	Mackerel	Mackerel (frozen)	10	61,248	12,330	20.1	743
2	Mackerel	Mackerel (salted, in brine)	20	0	0	-	2,779
3	Mackerel	Mackerel (Fresh, cold-storage)	20	0	-	-	3,756
4	Crab	Crab (Frozen)	14	44,379	33,952	76.5	-38,223
5	Crab	Crab (Live, fresh, cold-storage)	20	1	0	-	1,059
6	Snow crab	Snow crab (Live, fresh, cold-storage)	20	60,805	0	-	-59,439
7	Snow crab	King crab (Frozen)	20	16,475	0	-	-3,787
8	Top-shell	Top-shell (Frozen)	20	617	0	-	94
9	Top-shell	Top-shell (Live, fresh, cold-storage)	20	0	-	-	9,892
10	Top-shell	Top-shell (salted, in brine)	20	0	-	-	2
11	Squid	Squid (salted, in brine)	10	434	433	99.7	-134
12	Squid	Squid (Dried)	10	36,829	376	1	-34,099
13	Squid	Squid (Live/fresh, cold-storage)	10	0	-	-	30
14	Saurel	Saurel (Frozen)	10	11,350	2,545	22.4	16,299
15	Saurel	Saurel (Fresh, cold-storage)	20	0	-	-	89
16	Saurel	Saurel (salted, in brine)	20	0	-	-	67
17	Pen shell	Pen shell (frozen)	20	8,595	5,073	59	-7,919
18	Pen shell	Pen shell (dried)	20	59	-	-	-59
19	Pen shell	Pen shell(Live/fresh, cold-storage)	20	0	-	-	6,660
20	Sting ray	Sting ray (frozen)	10	41,387	339	0.8	-41,330

*3 items among the 11 total TAC items do not have HS code (Sandfish, Washington clam, Jeju Top-shell)

○ (Items for adjustment tax) Eight items that have weak international competitiveness and may be subjected to market disturbance or disintegration of industrial foundation due to increase in imports.

#	Finalized product	Detailed product	Tariff rate (%)	Amount of imports worldwide (in US \$ 1,000)	Amount of imports from China (in US \$ 1,000)	Percentage of imports from China (%)	Trade balance per product (in US \$ 1,000)
1	Sea-bass	Sea-bass (Live, excluding fries for cultivation)	28	25,533	25,533	100.0	-25,482
2	Sea-bream	Sea-bream (Live, excluding fries for cultivation)	28	34,832	14,069	40.4	-34,831
3	Croaker	Croaker (Live)	28	10,457	10,457	100.0	-10,457
4	Croaker	Croaker (Frozen)	43	12,081	1,198	9.9	-9,400
5	Shrimp	Penaeidea shrimp (Salted, in brine)	38	230	230	100.0	-230
6	Eel	Eel and others (Anguilla (live))	27	2,257	110	4.9	2,489
7	Alaska Pollack	Alaska Pollack (frozen)	25	231,537	67	0.0	-175,345
8	Mackerel pike	Mackerel pike	28	61,790	14	0.0	-52,262
9	Squid	Squid	22	54,872	4,580	8.3	53,948

○ (Items for resource management) fifteen items that require management in order to achieve stabilized development of fishery industry in the littoral sea and to maintain sustainable basis of fishery production.

#	Finalized product	Detailed product	Tariff rate (%)	Amount of imports worldwide (in US \$ 1,000)	Amount of imports from China (in US \$ 1,000)	Percentage of imports from China (%)	Trade balance per product (in US \$ 1,000)
1	Flatfish		10	3,037	32	1.0	-3,030
2	Flatfish		20	21		-	-21
3	Hair tail		10	101,215	61,854	61.1	-97,080
4	Hair tail		20	4,843	39	0.8	-4,787
5	Hair tail		20	0	-	-	760
6	Octopus		20	132,210	106,807	80.8	-131,539
7	Octopus		20	42,702	42,521	99.6	-42,415
8	Cod	Cod (dried)	20	2,059	2,037	98.9	-1,688
9	Cod	Cod (fresh, cold-storage)	20	1,945	1,734	89.1	-1,942
10	Cod	Flatfish (Filet/frozen)	10	47,414	1,732	3.7	-12,105
11	Cod	Flatfish (Filet/cold-storage)	20	66	66	100.0	-65
12	Yellow	Hair tail (frozen)	10	124,703	124,661	100.0	-123562

	corbina						
13	Filefish	Hair tail (fresh, cold-storage)	20	47,337	5,270	11.1	-47,106
14	Filefish	Hair tail (salted, in brine)	10	3,961	3,215	81.2	-3,928
		Octopus (frozen)					
		Octopus (live/fresh, cold-storage)					

* Omitted the redundant indication of TAC products

* Sandfish, Washington clam, blue abalone do not have HS code. There is no import from China regarding sharp tooth eel.

Appendix 4 Current status of fishery TRQ in the concluded FTAs

FTA	Product	TRQ method	Tariff rate	Amount of Import Quota (in tons)			
				Standard amount of import (A)	Amount in the early stage (B)	B/A	Rate of increase
Korea-EFTA (went into force in 1 September 2006) *Standard amount of import is the average amount during 2002 to 2004.	Frozen mackerel	Allotted designated institution	10%	8,538	500	6%	Fixed
Korea-Asean FTA (went into force in 1 June 2007) *Standard amount of import is the average amount during 2003 to 2005.	Shrimp, small shrimp (frozen shrimp meat)	Public Auction	20%	10,299	5,000	50%	Fixed
	Shrimp, small shrimp (live, fresh, cold-storage)		20%	3,758	300	8%	
	Cuttlefish (frozen)		10%	2,793	2,000	72%	
	Shrimp, small shrimp (processed)		20%	2,186	2,000	91%	
Korea-EU FTA (went into force in 1 July 2011) *Standard amount of import is the average amount during 2007 to 2009.	Frozen bastard hailbut	By order of arrival	10%	1,331	800 → 1,727 tons (12 th year)	60%	8%
Korea-US FTA (went into force in 15 March 2012) *Standard amount of import is the average	Frozen bastard hailbut	By order of arrival	10%	3,057	1,530 → 3,303 tons (11 th year)	50%	8%
	Frozen Alaska Pollack		30%	3,939	4,000 → 12,263 tons (14 th year)	102%	9%

amount during 2003 to 2005.	Frozen croakers		53%	4	1,000→ 1,629 tons (11 th year)	25,000%	5%
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Appendix 5 Current status on Korea-China Trade

□ Current status of trade between China: US \$ 228.8 billion (US \$ 62.8 billion trade surplus)

(Unit: US \$ 100 million)

Classification	2009	2010	2011	2012	2013	Trade Amount Worldwide (Percentage among the worldwide trade)
Export	867	1,168	1,342	1,343	1,458	5,596 (26.1%)
Import	542	716	864	808	830	5,156 (16.0%)
Total Amount of Trade	1,409	1,884	2,206	2,151	2,288	
Trade Balance	325	453	478	535	628	

□ Current Status of Fishery Products Trade between China: US \$ 1.4 billion (US \$ 700 million trade deficit)

(Unit: Us \$ million)

Classification		2009	2010	2011	2012	2013
Export	Total	565	787	1,189	1,279	1,317
	Agricultural products	327	447	625	654	675
	Livestock products	18	23	37	131	145
	Forest products	74	86	62	122	127
	Fishery Products	146	231	465	372	370
Import	Total	3,676	4,323	5,233	5,297	5,740
	Agricultural products	1,702	1,946	2,447	2,364	2,747
	Livestock products	42	53	60	138	142
	Forest products	1,078	1,228	1,476	1,712	1,825
	Fishery Products	854	1,096	1,250	1,083	1,026
Trade balance of fishery products		△ 708	△ 865	△ 785	△ 711	△ 656

- Top 10 Fishery Products on Import and Export to China (Based on the data in 2012)
(Unit: US \$ million)

Rank	Export		Import	
1	Fish egg	46	Octopus	165
2	Squid	40	Yellow corbina	127
3	Alaska Pollack	34	Hair tail	61
4	Seaweed	31	Other fishes	59
5	Cod	29	Shrimp	56
6	Tuna	23	Shrimp meat	55
7	Bastard halibut	20	Goose fish	48
8	Spanish mackerel	20	Loaches	44
9	Sea-bream	13	Short necked clam	41
10	Other crustacean	10	Crab	34

[Explanatory note from Korea Forest Service]

- The impact on the forest product by the agreement of Korea-China FTA is limited.
- Most of forest products in which there is a large amount of imports from China and those under fierce price competition such as plywood and lumber are excluded from concessions and therefore it was decided that tariff rate will not be reduced. Other products with a small amount of imports from China are under partial reduction or elimination after 20 years. Thus, the impact on the forest product by Korea-China FTA is expected to be limited.
 - Originally, it was worried that forest products may face strong price competition and that upon tariff elimination there will be a strong impact on the domestic industry, especially on plywood thicker than 6mm and lumber (Radiata pine).
 - However, the result of negotiation shows that products subjected to competition such as plywood thicker than 6mm and lumber (Radiata pine) are excluded from concession and other products with large amount of import are under partial reduction or elimination in 20 years therefore the impact on the domestic industry will be limited.
 - On the other hand, short-term income forest products such as chestnut and fragrant mushroom *lentinus edodes* are in the same category with agricultural and fishery products. Therefore essential products are decided to be excluded from concession. Other products are under tariff elimination in 20 years and therefore the impact on the domestic industry is viewed as limited.

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