

Building the ASEAN Community

ASEAN-Korea Free Trade Area

Building Strong Economic Partnerships



In 2005, ASEAN and the Republic of Korea signed the Framework Agreement on Comprehensive Economic Cooperation, which set the stage for the signing of four agreements: Trade in Goods, Services, Investment, and Dispute Settlement Mechanism. All these formed the legal instruments for establishing the ASEAN-Korea Free Trade Area (AKFTA).

The ASEAN-Korea Trade in Goods Agreement was signed in 2006 and entered into force in 2007. It sets out the preferential trade arrangement in goods among the 10 ASEAN Member States and South Korea, which generally

allows 90% of the products being traded between ASEAN and Korea to enjoy duty-free treatment. Since January 2010, the Republic of Korea and ASEAN-5 (Brunei Darussalam, Indonesia, Malaysia, the Philippines and Singapore) have eliminated tariffs on almost products listed in Normal Track which covers 90% total tariff lines.

The ASEAN-Korea Trade in Services Agreement, signed in 2007, provides the platform for further expansion of market access for ASEAN and South Korean service providers. Building on their existing commitments in the WTO under the General Agreement on Trade in Services (GATS), ASEAN and Korea both increased their commitments through the addition of new sectors and sub-sectors, easing restrictions on a wide range of service sectors including business, construction, education, communication services, the environment, tourism services and transport services.

The ASEAN-Korea Agreement on Investment was signed in 2009. The provisions cover, among others: fair and equitable treatment and full protection and security of covered investments; transfers of funds relating to covered investments; and compensation in the event of nationalisation or expropriation of covered investments.

Economic cooperation projects have also been initiated to promote AKFTA and facilitate trade and investment among parties. The projects include capacity building, business matching, and training programmes for officials in the area of small and medium enterprises (SMEs), intellectual property, agriculture, statistics and tourism.

TO LEARN MORE

1. [ASEAN-Korea Free Trade Area \(AKFTA\)](#)
2. [ASEAN-Korea Economic Cooperation](#)

For more information, please visit <http://www.asean.org/communities/asean-economic-community> or send an email to aimo@asean.org.