



AUSTRALIA - KOREA BUSINESS COUNCIL



PO Box 1008, Epping NSW 1710, Australia
Telephone: 61 2 9876 2433 Facsimilie: 61 2 9876 2433
E-mail: mwotton@bigpond.net.au
ABN: 17 346 891 501

Mr. R. Wells,
Head of Korea FTA Task Force
Department of Foreign Affairs and Trade
RG Casey Building
BARTON ACT 0221

Dear Mr Wells,

Re: AKBC Submission for a possible Australia –Korea Free Trade Agreement

I am pleased to be able to present your task force with our submission re a free trade agreement between Australia and the Republic of Korea.

The submission gives some background to the Australia- Korea Business Council (AKBC) and the Korea – Australia Business Council (KABC) who have met 29 times since 1978 in order to foster friendship and understanding between the business communities of Australia and Korea. They also undertake to promote technical and economic cooperation, trade investment, education and tourism between the two countries.

Within the attachments of the submission you will note that our two business councils, at our Joint Meetings since 2004, have been advocating the study and subsequent implementation of a free trade agreement between the two countries. At their Joint Meeting in November 2007 it was agreed between the two councils; that subject to the outcome of the non government study the councils would encourage both countries governments to use this as a basis to move to negotiations.

This view was confirmed at the two council's most recent meeting held in Melbourne in October 2008.

Since that meeting the financial landscape around the world has altered markedly and world trade has slowed substantially due to the difficult financial environment. Despite these changes the Executive Committee of AKBC on behalf of its members resolved that we see no reason to halt or slow the process of negotiating a FTA with the Republic of Korea.

Thank you for receiving our submission and we look forward to a start to negotiations between the two governments.

Yours truly

John Walker
Chairman
AKBC
30.1.09



AUSTRALIA - KOREA BUSINESS COUNCIL



SUBMISSION BY AUSTRALIA –KOREA BUSINESS COUNCIL

TO THE KOREA FTA TASK FORCE

Possible Australia –Republic of Korea Free Trade Agreement

30th January 2009



AUSTRALIA - KOREA BUSINESS COUNCIL



PO Box 1008, Epping NSW 1710, Australia
Telephone: 61 2 9876 2433 Facsimilie: 61 2 9876 2433
E-mail: mwotton@bigpond.net.au
ABN: 17 346 891 501

Summary Report – Australia - Korea Business Council (AKBC)

1. General Information – Australia/Korea trading relationship

- The Republic of Korea is a country of 48.5 million people living in a country a bit smaller in area than the State of Victoria in Australia.
- Only 30 percent of the country is habitable due to the mountainous nature of the terrain
- The population is heavily urbanized with the capital Seoul making up a large proportion of the population.
- In 2008 the GDP per capita was over US \$26,000 dollars.
- In 2007/08 Korea was Australia's 4th largest trading partner and 3rd most important export destination
- Total trade between Australia and Korea was worth over AUD \$20 billion for the same period.

2. Background information – AKBC/KABC

- The Australia - Korea Business Council was established in 1978 to foster friendship and understanding between the business communities of Australia and the Republic of Korea
- Membership guidelines are set out in the attached constitution and guidelines fro membership
- Membership is three tiered as set out in the constitution
- Current membership stands at 24 and is made up of representatives from the large Australian and Multinational Companies, Government and Non Government Organisations and some small and medium sized enterprises presently engaged in business activities with the Republic of Korea. (list attached)
- The secretariat duties are the responsibility of the Executive Director with guidance provided by the Executive Committee which meets at least four times a year.(list attached). The current Chairman is Mr. John Walker AM Head of Macquarie Group Capital for the Macquarie Group.

- The Korea Australia Business Council (KABC) consists of members of the Federation of Korean Industries (FKI) who carry out secretariat duties on behalf of KABC. The current Chairman of KABC is Mr Joon yang Chung currently Chairman designate of Posco who is Australia' largest single export customer.
- The two councils meet regularly to develop a joint statement for its members and submit to its respective governments for consideration. The last four Joint Statements highlighting the councils' position on a FTA between the two countries are attached for the FTA task force information.

3. Australia – Republic of Korea Free Trade Agreement Feasibility Study

- The AKBC and KABC at its 29th Joint Meeting held in Melbourne in October 2008 endorsed the findings of the Joint non government study dated 17th April 2008 and encouraged both governments to start negotiations for a FTA between the two countries.

4. Visit to Australia By President Lee Myun - bak – 4-6 March 2009

- The AKBC/KABC are planning to hold a business forum and luncheon during the visit to Australia by President Lee in March 2009.
- One of the topics to be discussed at the forum will be the possible FTA and the effect the recent world financial difficulties will have on trade between the two countries.
- Any outcomes as a result of these discussions will be relayed to the task force after the business forum has completed.
- Meanwhile the AKBC at its executive committee meeting held on 29th December 2008 agreed there was no reason to slow or halt the FTA process with the Republic of Korea due to recent financial difficulties being experienced around the world.