

among the ASEAN Member Countries and the need for flexibility to be given to the new ASEAN Member Countries, in particular the need to facilitate their increasing participation in the economic cooperation of the Parties and the expansion of their exports, including, *inter alia*, through the strengthening of their domestic capacity, efficiency and competitiveness,

HAVE AGREED as follows:

CHAPTER 1 GENERAL PROVISIONS

Article 1.1

Objectives

The objectives of this Framework Agreement are to:

- (a) strengthen and enhance economic, trade and investment cooperation among the Parties;
- (b) progressively liberalise and promote trade in goods and services as well as create a transparent, liberal and facilitative investment regime;
- (c) explore new areas and develop appropriate measures for closer economic cooperation and integration;
- (d) facilitate the more effective economic integration of the new ASEAN Member Countries and bridge the development gap among the Parties; and
- (e) establish a cooperative framework for further strengthening

the economic relations among the Parties.

Article 1.2

Definitions

For the purposes of this Framework Agreement, unless the context otherwise requires:

Korea means the Republic of Korea;

Korea + AEM means the Minister for Trade of Korea and the Economic Ministers of the ASEAN Member Countries;

ASEAN means the Association of Southeast Asian Nations which comprises of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Vietnam;

Korea-ASEAN FTA means the Korea-ASEAN Free Trade Area established by this Framework Agreement and other relevant agreements stipulated in paragraph 1 of Article 1.4;

ASEAN Member Countries means Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Union of Myanmar, the Republic

of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Vietnam collectively;

ASEAN Member Country means Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand or the Socialist Republic of Vietnam individually;

Framework Agreement means this Framework Agreement on Comprehensive Economic Cooperation among the Governments of the Republic of Korea and the ASEAN Member Countries;

GATS means the General Agreement on Trade in Services, which is a part of the WTO Agreement;

GATT 1994 means the General Agreement on Tariffs and Trade 1994, including its Notes and Supplementary Provisions, which is a part of the WTO Agreement;

Implementing Committee means the Implementing Committee established under Article 5.3;

new ASEAN Member Countries means the Kingdom of Cambodia, the Lao People's Democratic Republic, the Union of Myanmar and the Socialist Republic of Vietnam;

Normal Track means a list of tariff lines of which applied MFN tariff rates shall be gradually reduced and eliminated in accordance with the modality set out in Annex 1 of the Agreement on Trade in Goods under this Framework Agreement;

Parties means Korea and the ASEAN Member Countries collectively;

Party means Korea or an ASEAN Member Country;

WTO means the World Trade Organisation; and

WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organisation, done on 15 April 1994 and the other agreements negotiated thereunder.

Article 1.3

Measures for Comprehensive Economic Partnership

The Parties shall establish, consistent with Article XXIV of GATT 1994 and Article V of GATS, a Korea-ASEAN FTA and strengthen and enhance economic cooperation through the following:

- (a) progressive elimination of tariffs and non-tariff barriers in substantially all trade in goods;
- (b) progressive liberalisation of trade in services with substantial sectoral coverage;

- (c) establishment of an open and competitive investment regime that facilitates and promotes investment among the Parties;
- (d) provision of special and differential treatment to the ASEAN Member Countries and additional flexibility to the new ASEAN Member Countries as agreed in the Joint Declaration on Comprehensive Cooperation Partnership between Korea and ASEAN and the core elements attached thereto;
- (e) provision of flexibility to the Parties in the Korea-ASEAN FTA negotiations to address their sensitive areas in the goods, services and investment sectors with such flexibility to be negotiated and mutually agreed based on the principle of reciprocity and mutual benefits;
- (f) establishment of effective trade and investment facilitation measures;
- (g) exploration of the ways and means to expand their economic partnership into new areas and expansion of economic cooperation in areas as may be agreed among the Parties that will complement the deepening of trade and investment link among the Parties; and
- (h) establishment of appropriate procedures and mechanisms for the purposes of effective implementation of this Framework Agreement.

Article 1.4

Legal Coverage and Relations to Other Agreements

1. The following agreements shall form part of legal instruments establishing the Korea-ASEAN FTA upon their respective entry into force:

- (a) this Framework Agreement (including the Annex on Economic Cooperation);
- (b) the Agreement on Trade in Goods under this Framework Agreement as provided for in Article 2.1;
- (c) an agreement on trade in services to be concluded in accordance with Article 2.2;
- (d) an agreement on investment to be concluded in accordance with Article 2.3;
- (e) the Agreement on Dispute Settlement Mechanism under this Framework Agreement as provided for in Article 5.1; and
- (f) any other agreements that may be mutually agreed by consensus and concluded by the Parties in the context of the Korea-ASEAN FTA.

2. Except as otherwise provided in this Framework Agreement, this Framework Agreement or any action taken under it shall not affect or nullify the rights and obligations of a Party under the existing agreements to which it is a party.

3. Nothing in this Framework Agreement shall prevent any individual ASEAN Member Country from entering into any bilateral or plurilateral agreement with Korea and/or any other ASEAN Member Countries relating to trade in goods, trade in services, investment, and/or other areas of economic cooperation. The

provisions of this Framework Agreement shall not apply to any such bilateral or plurilateral agreement.

CHAPTER 2 LIBERALISATION

Article 2.1 Trade in Goods

1. The Parties shall progressively reduce and eliminate duties and other restrictive regulations of commerce (except, where necessary, those permitted under Article XXIV(8)(b) of GATT 1994) on substantially all trade in goods among the Parties, in accordance with the provisions, schedules and programme for the Normal Track in the Agreement on Trade in Goods under this Framework Agreement.

2. The Agreement on Trade in Goods under this Framework Agreement shall include, but not limited to:

- (a) detailed rules governing the progressive tariff reduction and/or elimination programme as well as other related matters;
- (b) rules of origin;
- (c) modification of commitments;
- (d) non-tariff measures, sanitary and phytosanitary measures, and technical barriers to trade;