



Department for
Business & Trade

The Rt Hon Greg Hands MP
Minister of State for Trade Policy and Minister
for London
Department for Business and Trade

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The Rt Hon Liam Byrne MP
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20 November 2023

Dear Liam,

Launch of Negotiations for an enhanced free trade agreement between the United Kingdom and the Republic of Korea

I am writing to inform you that on 22nd November 2023, the Government will launch negotiations with the Republic of Korea (RoK) to review and upgrade the 2019 UK–RoK Free Trade Agreement (FTA).

The RoK is now the 13th largest economy in the world and set to carry on growing rapidly. By 2035, the RoK's import market is expected to grow by 45% and have around 45 million middle class consumers. This projected growth has the potential to drive further demand for world class UK goods and services. This, therefore, is an opportune moment to ensure our trade relationship with the RoK is best tailored to the needs of the UK and delivering for our economy.

Our current agreement is one of the deepest FTAs that the RoK has signed to date and provides a strong platform for UK companies to access the RoK market. These negotiations offer an opportunity to secure and future proof these arrangements. There are opportunities to maximise the number of UK businesses benefiting from this agreement, for example, by securing simpler rules of origin which reflect UK industry requirements and streamlining customs procedures.

Since the current UK–RoK FTA was negotiated, trade policy has also advanced in several areas. Perhaps most importantly, the existing agreement lacks comprehensive digital provisions. Both the UK and the RoK have previously negotiated world-class digital trade commitments with other trading partners, and this is an area of great potential for the negotiations. Digital trade is rapidly becoming dominant, with 79% of our services trade with the RoK now delivered digitally. As a global services superpower, seizing opportunities in this area is a key part of further enhancing the UK's prosperity.

Enhancing the UK–RoK FTA can also support the broader UK–RoK relationship and ensure it continues to thrive in the future. Through these negotiations we can take further steps to bolster our ongoing cooperation in areas such as energy and supply chains to anticipate and mitigate against future economic shocks.

In line with the government's commitments to transparency and scrutiny, more information on these negotiations will be published and placed in the House Libraries on 22nd November 2023. This will include:

- The strategic case for an upgraded UK-RoK trade agreement.
- Our objectives for the negotiations.
- A scoping assessment, providing a preliminary economic assessment of the potential impact of the agreement.
- A summary of the responses to the call for input on trade with the RoK, held between December 2022 and February 2023. This took views from consumers, businesses, and other interested stakeholders across the UK on their priorities for enhancing our existing trading relationship with the RoK.

The government is determined that any agreement must work for stakeholders from all nations and regions of the UK.

The government will continue to update and engage with stakeholders, including Parliament and the Devolved Administrations, throughout our negotiations with RoK.

Yours

A handwritten signature in blue ink, appearing to read 'G Hands', with a long horizontal line extending to the right.

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