

Issues and Requests Relating to Foreign Trade and Investment - Korea

Category	No	Issue	Issue Details	Requests	References
9 Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	High Import Duty	<p>- For paucity of the domestic resources, enterprises in Republic of Korea (ROK) are compelled to rely on imports for materials and raw materials for auto parts. However, due to 8% import duty imposed on auto parts from Japan, it is difficult to shift the production site from Japan to ROK. GOK also applies 8% import duty on finished parts for cars. Car assembly business in ROK is faced with the substantial amount of expenses incurred by foreign fund enterprises (FFE).</p> <p>- <u>The import tariff rate for watches (watch/clock finished products and clock movements) is high at 8%.</u></p> <p><b>(Actions)</b></p> <p>- On 1 July 2011, ROK/EU FTA provisionally entered into force. This first FTA that EU has ratified with an Asian Country will remove 98.7% of tariffs within 5-years from the effective date. The text of ROK/EU FTA is available at: (<a href="http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/korea/">http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/korea/</a>)</p> <p>- On 15 March 2012, USA/Korea FTA entered into force.</p> <p>- On 20 December 2015, ROK/PRC FTA came into force. ROK will repeal customs tariff in 20-years, by 92% in the tariff items numbers, and 91% in the trade amount.</p>	<p>- It is requested that GOK reviews the duty rate, or GOK and GOJ ratify FTA as soon as possible.</p> <p>- <u>It is requested that GOK reduces and repeals the tariff on watches.</u></p>	Customs Act of ROK
	(2)	Disadvantages emanating from the Delayed Ratification of Japan-ROK FTA/EPA	<p>- <u>While ROK/EU, ROK/the U.S. FTA have been ratified one after another, it would appear Japanese/ROK FTA lags behind by a few years at least as agreement was reached simply to start consultation. In general, ROK levies relatively high duty on industrial products (e.g., gas turbine 8%, steam turbine 5%) so that a member firm faces severe competitive disadvantages on pricing vis-à-vis the U.S. /EU power generation equipment manufacturers.</u></p> <p><b>(Actions)</b></p> <p>- In July 2011, FTA between ROK and EU took provisional effect. Since the provisional effect, ROK-EU bilateral trade increased by 4.4% in annual average.</p> <p>- In March 2012, FTA between ROK and the U.S. took effect. In 2012, the first year of FTA effective, the ROK trade surplus with the U.S. ballooned from USD 15.2 billion to USD 20.5 billion almost doubling that of 2011, the year immediately preceding the FTA ratification. On cars, the U.S. export to ROK substantially increased by 26.7% from USD 11.7 billion in 2011 to USD 1.5 billion in 2013, while ROK's export to the U.S. jumped by large margin of 31.6% from USD 14.9 billion in 2011 to USD 19.6 billion in 2013.</p> <p>- On 20 November 2012, commencement of the 1st China/Korea FTA Conference was declared.</p> <p>- On 11 March 2014, The FTA negotiation reached agreement between ROK and Canada. ROK will eliminate 81.9% of the import tariffs (on the HC classification base) immediately after the FTA effective date, and within 10 years will remove 98.2% of the tariffs.</p>	<p>- It is requested that GOJ:</p> <p>-- <u>ratifies Japanese/ROK FTA negotiation as soon as possible.</u></p> <p><u>and</u></p> <p>-- <u>urges ROK to join TPP.</u></p>	

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			<p>- On 7 July 2014, ROK-Turkey negotiation on Service Investment FTA reached agreement in principle. Its enforcement is expected to take place within 2015.</p> <p>- On 10 November 2014, PRC/ROK FTA was agreed in principle, and officially signed on 1 June 2015. It took effect on 20 December 2015.</p>		
	(3)	Overly extended Imposition of Antidumping Duty	<p>- On 5 July 2003, GOK initiated antidumping investigation on bar and section stainless steel from Japan (also, India and Spain).</p> <p>- On 30 July 2004, final affirmative determination, deciding imposition of antidumping duty.</p> <p>- On 27 March 2009, initiation of sunset review.</p> <p>- On 24 February 2010, Decision on continuation (for 3-years) of antidumping measures.</p> <p>- On 20 September 2012, 2nd sunset review started on stainless steel bar and section stainless steel (SSB/SSS).</p> <p>- On 25 July 2013, continuation (for 3-years, the second time) of antidumping duty levy determined on SSB/SSS.</p> <p><b>(Actions)</b></p> <p>- On 11 December 2015, ROK initiated the sunset review on stainless steel thick plate from Japan.</p>	<p>- It is requested that GOK repeals antidumping measures.</p>	
	(4)	Abuse of Antidumping Measures	<p>- On 28 April 2010, initiation of preliminary antidumping investigation on stainless steel thick plate from Japan, with thickness 8mm - 80mm, width more than 1,000mm and length less than 3,270mm, mainly used in petro-chemical, LNG ship building, construction, nuclear power generation, desalination equipment industries.</p> <p>- On 15 September 2010, affirmative determination was made on the preliminary investigation, initiating the formal investigation of 3-5 months duration.</p> <p>- On 23 February 2011, affirmative determination made on the final investigation, deciding antidumping duty levy.</p> <p><b>(Actions)</b></p> <p>- ROK decided to impose anti-dumping duties in the range 11.66% to 22.77% on valves for pneumatic transmission manufactured in Japan for five years from August 19, 2015. On 15 March 2016, GOJ filed a formal request for consultations with ROK under the WTO dispute settlement procedures to seek a solution to this issue.</p>	<p>- It is requested that GOK repeals antidumping measures.</p>	<p>- Customs Act, Article 51</p> <p>- Unfair Trade Act and Relief of Industrial Injuries Act.</p>
	(5)	Customs Arbitrary Application of HS Code Classification	<p>- <u>GOK levies import duty under the HS code different from the statistical number stated in the invoice. Lens/mirrors for semiconductor lithography equipment and lens/mirrors for FDPA semiconductor lithography equipment, by right, should attract zero duty by interpreting them as parts for semiconductor lithography equipment. In practice, Korea customs service (KCS) considers these products as glassware and levies</u></p>	<p>- It is requested that KCS adopts the <u>HS Code applicable to parts for semiconductor lithography equipment (with zero customs duty).</u></p>	

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			<p><u>the following import duties:</u>  <u>--3% on lens/mirrows for semiconductor lithography equipment</u>  <u>--8% on lens/mirrows for semiconductor lithography equipment</u>  <u>In addition, on parts other than optical materials and optics, KCS ignores the HS code stated in invoice and completes the customs clearance under the HS code for "glassware".</u></p>		
	(6)	<b>Product Registration Requirement on Prototype Import</b>	<p>- <u>GOK requires product registration on prototype samples imported for evaluation purposes.</u></p> <p>- <u>Product registration procedures are complex for import and distribution of medical equipment.</u></p>	<p>- <u>It is requested that GOK simplifies the procedures for customs clearance of products imported for evaluation purposes.</u></p> <p>- <u>It is requested that GOK repeals the requirement for the renewal procedure for product registration so that once registered, no further renewal is necessary, the same as Japan.</u></p>	
	(7)	<u>Delayed Import Licence Acquisition by the Pharmaceutical Affairs Law</u>	<p>- <u>It takes many hours and much cost for acquisition of import licence under pharmaceutical affairs law.</u></p>	<p>- <u>It is requested that GOK enables mutual two-way authentication: 510K of the U.S./EU CE marking or Japanese pharmaceutical affairs law.</u></p>	- <u>Pharmaceutical Affairs Law</u>
	(8)	<u>Complex Export Procedures for Product Return</u>	<p>- <u>In shipping back ink tank that met with the market claim to Japan, KCS (Korea Customs Service) would not issue export licence without disclosure of the principal constituent of the liquid inkjet tank (above the general MSDS (Material Safety Data Sheets) level.</u></p>	<p>- <u>It is requested that GOK simplifies the export procedures for the liquid inkjet tank (by disclosure, only of MSDS).</u></p>	
12 Exchange Controls	(1)	Borrowing in Foreign Exchange is restricted	<p>- <u>The degree of freedom is low in foreign exchange transactions.</u>  <u>Enterprises are unable to borrow in foreign exchange for the purpose of hedging the foreign exchange risk.</u></p> <p><b>(Actions)</b></p> <p>- Since January 2006, Bank of Korea (BOK) has repealed the licensing system for capital transactions. Only declaration is necessary for non-residents' bank borrowing in won. Such declaration is exempted for transactions in less than 10 billion won.</p> <p>- Since December 2007, BOK has been promoting the following measures:</p> <ol style="list-style-type: none"> <li>1) Repeal of licensing system for import/export in South Korean Won.</li> <li>2) Integration of Non-residents' Similar South Korean Won Accounts.</li> <li>3) Enlargement of tax exemption declaration limit to 30 billion won from 10 billion won.</li> <li>4) Grant of permission for settlement of account in South Korean Won at overseas' foreign exchange.</li> </ol>	<p>- <u>It is requested that GOK liberalises foreign exchange transactions.</u></p>	- Foreign Exchange Control Act, etc.

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			<ul style="list-style-type: none"> <li>- Response to the 2008 Proposition states: "Continued restriction is necessary in order to control the lending of operating fund for the domestic use to foreign exchange lending and foreign exchange application period, made to hedge foreign exchange risks."</li> <li>- On 13 June 2010, GOK promulgated the rule that sets forth the ceiling in the amount of forward booking by financial institutions, restricting the disposition of foreign exchange borrowings by enterprises.</li> <li>- The ROK foreign exchange transactions principle is based upon: (1) Liberalised in principle, restricted in exceptional caes, and (2) real demand principle, compelling foreign exchange banks to confirm the real demand in transactions.</li> </ul>		
	(2)	Restricted Setting Off of Debtors/Creditors Accounts and External Remittance of Foreign Currency Fund	<p><u>GOK strictly controls offsetting debtors/creditors account with non-residents, and external remittance in foreign currency fund. Even where such transactions are allowable, the procedures are complex for obtaining licences and approvals.</u></p> <p><b>(Actions)</b></p> <ul style="list-style-type: none"> <li>- GOK has exempted the requirement for submission of payment/receipt vouchers upon payment/receipt of consideration for export/import concerning enterprises with the import/export performance results of more than US\$50 million, pursuant to its foreign exchange liberalization policy.</li> <li>- On 8 November 2007, Ministry of Finance and Economy released "Policy to improve foreign exchange system to construct a market-friendly foreign exchange system".</li> <li>- Obligation to file return is compulsory for Netting (Setoff):                             <ol style="list-style-type: none"> <li>(1) Resident(s) must file return to ROK banks in settlement of external transactions with non-resident(s) by setting off the debtors and creditors account.</li> <li>(2) An FFE with domestic investment exceeding USD 10 million under the foreign investment law (the foreign investment promotion act) as a foreign investment company in setting off the debtors and creditors account must file return to foreign exchange banks.</li> </ol> </li> </ul> <p><b>(Improvement)</b></p> <ul style="list-style-type: none"> <li>- In December 2007, GOK amended the foreign exchange transactions regulations to exempt requirements for the proof of payment up to US\$50,000 per year, where transactions are routed via designated foreign exchange banks.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOK liberalises the Korean Won exchange market to non-residents.</li> </ul>	Foreign Exchange Control Act, etc.
	(3)	Rapid Exchange Fluctuations	<p><u>Radical exchange fluctuations prevail. As it stands, Member Firm's Subsidiary (MFS) benefits from exchange gain on a direct export transaction in yen. Nevertheless, negotiation for raise in price is difficult. In a transaction between related parties, the prevailing Yen depreciation enables MFS to offer special prices to its customers. However, MFS runs on a thin margin, so that if the exchange rate swings toward appreciation of Yen, it will instantly show operational loss: such is the severity of the fluctuation band.</u></p>	<ul style="list-style-type: none"> <li>- It is requested that the government of ROK will use its best efforts to:                             <ul style="list-style-type: none"> <li>-- stabilise the exchange rate fluctuations, and</li> <li>-- keep the fluctuation band within 6%.</li> </ul> </li> </ul>	
13Finance	(1)	The Guarantor Requirement and the Cap on Credit Card	<ul style="list-style-type: none"> <li>- To file application for a bank credit card, it is necessary to provide a guarantor. Much inconvenience on business results from the credit limit, which is too small (2-million Won) without regard to the deposit amount and the credit level of the card user.</li> </ul>	<ul style="list-style-type: none"> <li>- It is requested that GOK deregulates the guarantor requirements and the credit limit for a bank credit card.</li> </ul>	

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			<p><b>(Actions)</b></p> <p>- In July 2002, with cases of delinquent repayments increasing against credit cards, and as disciplines are tightened upon credit card companies, an integration of information concerning the small amount loan was effected. This integration included: confirmation of credit standings of members (in terms of revenue and assets) substantiated by official documents; a stricter control of credit by showing the specific limit of credit amount; a tightened control of credit companies in their solicitation of members; and the small amount loan.</p>		
14 Taxation Systems	(1)	<u>The Risk of Additional Duty from Differences between Tax Office and Customs</u>	<p>- It would appear difficult to share the common understandings between National Tax Service (NTS) and Korean Customs Service (KCS) in the context of Japan-ROK tax treaty in regard to profit margin under the Advance Pricing Agreement (APA). Furthermore, from the customs perspective, low import unit price could pose problems, while NTS would look into low profitability, in any event, always at the risk of double taxation for the group of companies under a member firm's umbrella.</p>	<p>- It is requested that GOK takes step to:</p> <p>-- synchronise the mutual understandings on national tax and customs duty, and</p> <p>-- perfects the advance pricing agreement system.</p>	
	(2)	<u>The Risk of Double Taxation due to Differences in the TPTS Rules</u>	<p>- A member firm as a group company is under the double taxation risk, especially under the TPTS as the rules vary from one nation to another and so do the interpretation on the rules between the countries.</p>	<p>- It is requested that GOK:</p> <p>-- overhauls TPTS guidelines, etc. of the world standard,</p> <p>-- embellishes advance pricing agreement system.</p>	
16 Employment	(1)	<u>Over-Labour Protective Industrial Practices and Systems</u>	<p>- <u>Labour unions demand for wage increase and better fringe benefits without regard to employers' operational performance and productivity. Furthermore, rigidity prevails against the downward change in allowances, making it difficult for employers to implement restructuring of their workforce.</u></p>	<p>- It is requested that GOK:</p> <p>-- repeals the Article that requires labour unions' agreement for any changes to the rules of employment that disfavour workforce,</p> <p>-- prohibits by legislation employers' purchase of unused annual-paid-leave,</p> <p>-- repeals the legal severance indemnity system, and-- deregulates restriction on the employment term (duration of employment) for dispatched workers.</p>	Labor Standards Act, etc.
			<p><b>(Actions)</b></p> <p>- Dismissal for the purpose of reorganization being introduced seems to have a dubious efficacy, as witnessed in the case of Hyundai Motor Company.</p>		

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			<ul style="list-style-type: none"> <li>- According to the research conducted by the Federation of Korea Industries (FKI) published in July 2003, the greatest reason (37%) for the foreign-funded enterprises to consider the retreat from Korea was the employer/employee relationship.</li> <li>- During the first half of 2003, The foreign investment ombudsman received 210 cases of complaints, of which 50 cases (representing 24%) related to the employer/employee relationships.</li> <li>- After the currency crisis, the labour disputes are increasing in number. During 2002, 321 cases were brought about, 4 times as much as the level of 1996.</li> <li>- The total amount of the average monthly wages, released on 25 March 2009, of the full-time workers in the 4th quarter of 2008 was less than the same period of 2007. It is the first time the negative increase is recorded since 1998.</li> <li>- The minimum wage released in 2010 is 4,110 won per hour, representing 2.75% increase over the preceding year. This is the lowest increase rate since the currency crisis in 1998.</li> <li>- The minimum wage released in August 2011 4,320 won per hour, represents 5.11% increase over the preceding year, whereas the Worker's Committee demanded the raise of 26.0%.</li> </ul>		
	(2)	Prohibited Purchase of Unused Paid Leave	<p><u>The amended Labour Standards Act exempts employers' obligation to purchase unused paid leave (UPL) and sets forth the scheme to promote annual paid leave under certain conditions. However, in the case where purchase of UPL forms a part of collective-bargaining agreement (CBA) or rules of employment (ROE), it is difficult to amend such agreements. In addition, promotion of paid leave system is difficult to put into practice. As a result, member firm subsidiary continues to purchase UPL from its employees.</u></p>	<p><u>It is requested that GOK:</u>  <u>-- causes the Act to be amended so that employers get exempted from purchase of UPL without amending the Agreements, or</u>  <u>-- makes it clear that discontinuation of employers' purchase of UPL does not constitute the change unfavourable to employees.</u></p>	<p><u>Labour Standards Act</u>  <u>Articles 1, 5, 61, 94.1</u></p>
	(3)	Restricted Employment Term for Non-Regular Workers	<p><u>Due to the constriction in the employment term for 2-years maximum, non-renewable, it is difficult for employees to deploy workers flexibly commensurate with the circumstances of business operation.</u></p> <p><b>(Actions)</b></p> <ul style="list-style-type: none"> <li>- On 1 July 2007, "Act on the Protection, etc. of fixed-term and part-time employees" was enforced concerning treatment of fixed-term, part-time, and temporary employees (Non-Regular Employees). The Act stipulates among others the following terms: <ol style="list-style-type: none"> <li>1) Prohibition in principle of irrational discriminatory treatment to non-regular employees.</li> <li>2) Turning the status of employment as regular employees for non- regular employees whose employment term exceeds two years.</li> <li>3) Turning the status of employment as regular employees for dispatched employees with more than two years of employment.</li> </ol> </li> <li>- The response to the issues placed on the agenda 2008 reveals that the majority of workers also desire extension or repeal of the non-regular employment period so that GOK now considers construction of comprehensive measures inclusive of the complementation of the legislation.</li> </ul>	<p><u>It is requested that GOK repeals restrictions on conclusion of employment agreement so that employers may conclude employment agreement without the fixed employment term.</u></p>	<p><u>Act on the Protection of Fixed term and Part time Employees</u>  <u>The Act On Protection, Etc. of Dispatched Workers</u></p>

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			<p>- In April 2009, GOK submitted the bill to the National Assembly, amending the law to extend the employment period of non-full-time workers from 2-years to maximum 4-years.</p> <p>- "Act on the Protection of Fixed-Term and Part-Time Employees" restricts the employees term of the fixed term employees to two-years. In the event of exceeding this term, employers shall be deemed to have concluded employment agreement with indefinite term of employment.</p>		
	(4)	Compulsory Trade Union's Consent on Change of ROE Disadvantageous to Workers	<p>- <u>Under the labour standards act, employers must obtain trade union's consent in amending the rules of employment (ROE) in the manner disadvantageous to workers. This provision under the Act one-sidedly weakens the employers' bargaining position in the collective consultation with the trade union.</u></p> <p>- <u>ROK labour standards act compels an employer to obtain trade union's agreement on any change in the Rules of Employment (ROE), which is "modified unfavourably to workers". This is the largest barrier for effecting any change in ROE. In the case where "ROE" is more reasonable than that of other Japanese affiliated enterprises operating in ROK, GOK commented: "Even if the ROE contents are reasonable, GOI deems that the union's agreement is indispensable. It could lead to material operational crisis of the company". GOK further commented, "introduction of the peak in wage requires trade union's consent", despite its compulsion of "the prolonged retirement age, etc." As it stands, the only changes GOK accepts are the cases where only the workers' interests are guaranteed.</u></p>	<p>- <u>It is requested that GOK repeals the employers' obligation to obtain trade union's consent in changing the ROE disadvantageous to workers, to enable employers to flexibly meet the change in the business environment.</u></p> <p>- <u>It is requested that GOK takes step to:</u>            -- <u>repeal the provisions in Article 94(1) of labour standard act, where it states:</u>            -- <u>"However, if the rules of employment are to be modified unfavorably to workers, the employer shall obtain workers' consent",</u>            -- <u>(2) When an employer submits the rules of employment in accordance with the provisions of Article 96, a written document containing the result of consultation referred to in paragraph (1) shall be attached, and have the cases transferred to judicial institutions.</u></p>	Labour Standards Act Article 94.1 & 94.2
	(5)	Nebulous Issuance Basis of Expatriate's Work Visa	A Japanese enterprise is given an explanation that GOK does not authorise issuance of employment visa, unless the applicant is in a managerial position, supervising Korean employees, without, however, providing the definitive basis for employment visa issuance.	- It is requested that GOK overhauls the legislation for issuance of alien's work visa.	

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			<p><b>(Actions)</b></p> <ul style="list-style-type: none"> <li>- An eligible applicant to D-8 visa for foreign investors must be an indispensable professional worker, seeking engagement in administration management of foreign investment company as prescribed by "Foreign Investment Promotion Act", a professional in the field of production and engineering, investor, manager and engineer. An engineer must be indispensable, and must have an expertise not replaceable domestically in ROK. The period of stay for the D-8 visa holder has been extended by two years in total of five years since 2 August 2007.</li> <li>- Eligibility for intra-company transfer (D-7) for those who works by being dispatched as an "indispensable professional worker for foreign investor" is defined as executive, senior manager and specialist.</li> </ul>		
	(6)	Changed and Nebulous Definition / Calculating Method of Normal Wages	<p>- Since the supreme court decision in December 2013 (the SC decision), the scope of ordinary wages has become different from ministry of labour guidelines, which had been accepted before the SC decision. In addition to the increased labour cost, the SC decision fails to clarify the retroactivity of the past year portion. Certain enterprises instituted litigation. Problems and confusions have spread to the industrial relations between employers and employees.</p>	<p>- It is requested that GOK takes step to:                      -- overhaul legislation in accordance with the ministry of labour guidelines, and                      -- weave provisions into the measures to exonerate employers on the past unpaid wages.</p>	<p>- Supreme Court Decision in December 2013 on Labour Standards Act, etc.</p>
17	Implementation of Intellectual Property Rights ("IPRs")	(1) Difficulty in Patent Division after Patent Examination is Over	<p>- The existing ROK Patent Act forecloses patent division upon reaching the stage of decision for or against patentability. It deprives the applicant's ability to acquire the patent right that satisfies the applicant's intended claims.</p> <p><b>(Improvement)</b></p> <p>- The revised patent act, enforced on 29 July 2015, has expanded the period for the Divisional Patent Application (DPA). Including the period for correcting specifications and drawings, it has become possible to file DPA prior to 3-months, (where establishment of registration takes place prior to 3-months, prior to establishment of registration) from the date of service of a transcript of an examiner's patent decision or decision of patent refusal (Patent Act, Article 52-1-3).</p>	<p>- It is requested that KIPO deregulates the timing of Patent Division that allows application upon reaching the stage of decision for or against patentability.</p>	<p>- Patent Act, etc.                      - Patent Act Article 52 (Division of Patent Application)</p>
	(2)	Absence of Subjective Requirement on Indirect Infringement of Patent Right	<p>- Existing Patent Act of ROK does not provide for the subjective requirement (whereby a person knowingly, as his/her business, manufactures or transfers, or imports or transfers goods, which are patented invention or which are used for execution of patent(s).</p>	<p>- It is requested that GOK adds the subjective requirement in regard to indirect infringement.</p>	<p>- Patent Act, etc.                      - Patent Act, Article 127 (Deemed Infringement Conducts)</p>
19	Industrial Standards, Approval of Safety Standards	(1) Vexatiously Complex GOK's Own Standards and Specifications	<ul style="list-style-type: none"> <li>- Where GOK applies certification of the standard specifications to goods imported from abroad, it begins to function as technical barrier to trade.</li> <li>- ROK's national standard KSA9000 exists, corresponding to International Organization for Standardization (ISO) Quality Certification.</li> <li>- Korean Industrial Standards (KS) exists.</li> </ul>		<p>- KSA9000</p>



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	(2)	Incompatibility of Examination Standard for Approval under Pharmaceutical Affairs Law	- <b>Examination standards are incompatible between Korea Food &amp; Drug Administration (KFDA) and Japan Ministry of Health, Labour &amp; Welfare (JMHLW), in regard to the licence for import and distribution. It took 8-10 months for ROK examiner to complete inspection of the drugs inspected in Japan under the pharmaceutical affairs law. Harmonisation is requested.</b>	- <b>It is requested that GOJ and GOK harmonises the examination standard of the pharmaceutical products between the 2-countries.</b>	
22 Environmental Pollution and Waste Disposal	(1)	<u>Export of Used Lead Acid Storage Batteries</u>	- Triggered by the rapid rise in demand in South Korea, there has been a fierce competition for the Used Lead Acid Batteries (ULABs) that domestically accrue in Japan. (It appears there have been outflows to ROK of about 30-40% of the domestically accrued ULABs in Japan). As to ULABs export to ROK, it appears Japanese exporters satisfy the requirements under the basel convention. However, it is said that the treatment completion reports has come back from ROK on only half of the ULABs exported to ROK. The question cannot be wiped off, if these exported ULABs are properly treated in ROK.	- It is requested that GOJ enquire with GOK to check up the actual disposal status of ULABs and require the disposal report. (It is hoped that the rigorous implementation of The basel convention will curb import of ULABs from Japan.)	- <u>The Basel Convention</u>
24 Indigested Legislation, Abrupt Changes	(1)	<u>Delayed Issue of Subordinate Rules and Guidelines</u>	- <u>Delayed issue of subordinate rules and guidelines, such as list of restricted materials, guidelines, etc., makes it difficult to take the requisite measures required under the primary rules and regulations.</u>	- <u>It is requested that GOK holds implementation of laws and regulations, pending completion of the subordinate rules.</u>	- <u>The Act of Registration and Evaluation of Chemicals (K-REACH)</u>
	(2)	Complex Procedures required on Renewal of Products Registration	- Renewal procedures are complex on products registration.	- It is requested that GOK takes steps to repeal renewal procedures on product registration as it is done in Japan, so that once registered, no renewal is necessary.	
26 Others	(1)	Shortage of Power Supply	- <b>The tight positions continue in the power supply and demand, although major blackouts did not occur as experienced in 2012.</b>	- It is requested that GOK boosts as soon as possible the power supply capacity that can meet the demand.	