

U.S.-Korea Free Trade Agreement Market Access Results

Scientific Equipment

Trade and Tariffs

This sector is defined by the World Trade Organization's Uruguay Round sector initiative on scientific equipment.

Scientific equipment accounted for 5.2 percent of average U.S industrial exports to Korea in 2005-2007, totaling \$1.58 billion. The top U.S. exports in this sector include certain measurement instruments, auto-regulating instruments and parts, and gas and smoke analysis apparatuses. Korean tariffs range between zero and 8 percent, with an average of 4.7 percent.

Korean exports to the United States in this sector averaged \$130 million in 2005-2007, or less than one percent of total Korean industrial exports to the United States. Top Korean exports in this sector include auto-regulating instruments and parts, checking instruments, and electrical measurement instruments. The United States maintains tariffs between zero and 3.5 percent, with an average of 1.2 percent, on scientific equipment.

Tariff Elimination

Industrial tariffs will be phased out according to seven tariff elimination categories: immediate elimination; linear cuts over three, five, or ten years; or nonlinear cuts over ten, twelve, or fifteen years. Tariff elimination under the nonlinear ten-year staging category will proceed with a 5 percent cut in the tariff in years one and two, a 7 percent cut in years three through five, a 10 percent cut in years six and seven, a 12 percent cut in year eight, a 17 percent cut in year nine, and a 20 percent cut in year ten. Tariff elimination under the nonlinear twelve-year staging category will proceed with 25 percent cuts in years nine through twelve. Tariff elimination under the nonlinear fifteen-year staging category will proceed with 20 percent cuts in years eleven through fifteen.

For scientific equipment, nearly 100 percent of U.S. exports by value will receive duty-free treatment immediately upon implementation of the Agreement, and duties on the remaining exports will be eliminated over three years. Tariffs on high-priority U.S. products such as measuring instruments, gas and smoke analysis apparatuses, and volt current meters will be eliminated immediately upon implementation of the Agreement.

Nearly all U.S. imports from Korea will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on the remaining negligible amount of trade will be eliminated over three years.

Non-Tariff Barriers

Korea will allow the importation of remanufactured scientific equipment, as defined in Chapter Six - Rules of Origin, on entry into force of the Agreement.