

CHAPTER 17

ECONOMIC COOPERATION

Section A: General Provisions

Article 17.1: Objectives

1. The Parties agree to strengthen economic cooperation with the aim to enhance the mutual benefits of this Agreement in accordance with their national strategies and policy objectives.
2. The cooperation under this Chapter shall pursue the following objectives:
 - (a) facilitating the implementation of this Agreement with a view to promoting economic and social development of the Parties; and
 - (b) creating and enhancing sustainable trade and investment opportunities by facilitating trade and investment between the Parties and by strengthening competitiveness and innovation capacities, with a view to promoting sustainable economic growth and development.

Article 17.2: Methods and Means

1. The Parties shall cooperate with the objective of identifying and employing effective methods and means for the implementation of this Chapter. To this end, the Parties shall coordinate efforts with relevant international organizations and develop, where practicable, synergies with other forms of bilateral cooperation already existing between the Parties.
2. Cooperation between the Parties will be implemented through the tools, resources, and mechanisms available to the Parties, following the existing rules and procedures through the competent bodies for the discharge of their cooperation relations.
3. The Parties may use instruments and modalities, such as exchange of information, experiences, and best practices, for the identification, development, and implementation of projects.

Article 17.3: Non-application of Dispute Settlement

Neither Party shall have recourse to Chapter 20 (Dispute settlement) for any matter arising under this Chapter.

Article 17.4: Committee on Economic Cooperation

1. The Parties hereby establish a Committee on Economic Cooperation (hereinafter referred to as the “Committee”), comprising representatives of each Party.
2. The Committee shall meet at least once a year to consider matters arising under this Chapter, and may meet more frequently as the Parties may agree.
3. The Committee’s functions shall include, *inter alia*:
 - (a) monitoring and assessing the progress in implementation of the projects agreed by the Parties under this Chapter;
 - (b) making recommendations on the cooperative activities under this Chapter; and
 - (c) reviewing, through regular reporting from the Parties, the operation of this Chapter and the application and fulfillment of its objectives.
4. The Committee may establish other groups, if necessary, under its auspices.

Section B: Agro-Fisheries Cooperation

Article 17.5: Food Security

1. Recognizing the important role that two-way trade and investment play in achieving long-term food security, the Parties shall, as appropriate, endeavor to promote and facilitate productive and mutually beneficial trade and investment in agriculture and food.
2. The Parties shall explore opportunities to cooperate in the area of global food security, including through relevant regional and international fora such as G20, APEC, FAO and ASEAN 10+3.

Article 17.6: Fisheries Cooperation

1. The Parties, recognizing the social and economic importance of fish and fisheries products, shall endeavor to cooperate in the field of fisheries.
2. The objectives of cooperation in fisheries are to:
 - (a) strengthen and build on existing cooperative relationship⁶³ between the Parties; and
 - (b) facilitate sound fish and fishery products trade⁶⁴ between the Parties under the approach of sustainable and responsible fishing.
3. The Parties will cooperate in the field of fisheries under the existing mechanism through:
 - (a) facilitating conservation and management of marine living resources;
 - (b) fostering more dialogues and exchange of information;
 - (c) strengthening the research and technical capacities for the development of fisheries between the Parties; and
 - (d) promoting the consumption of fish product in each Party.

Article 17.7: Forestry

1. The Parties, recognizing that stable supply and sound trade of forest products is a critical element of the bilateral strategic relationship, shall promote mutual cooperation in enhancing the security of supply of forest products between the Parties, through:
 - (a) working collectively to secure the stable supply of forest products;
 - (b) making best efforts to avoid any export restrictive measures on forest products unless such measures are presented with reasonable justifications;
 - (c) promoting the trade of forest products from legal sources; and

⁶³ The China-Korea Joint Fisheries Committee.

⁶⁴ Specific implementation measures will be further discussed in the existing channel.

- (d) promoting and facilitating mutual investment in the field of forestry, including forest plantation and wood processing industries.

2. The Parties shall endeavor to cooperate in the field of forestry. Such cooperation may include, but is not limited to, the following:

- (a) development, utilization, and sustainable management of forest resources;
- (b) cooperation on the conservation of natural ecosystem and restoration of rare or endangered species;
- (c) facilitating the cooperation on addressing problems regarding illegal logging and the common understanding on timber legality verification;
- (d) strengthening the exchange and cooperation on the storage techniques of forest germplasm resources;
- (e) promoting the development of the woody ornamental plants, tree seed and tree seedling industries; and
- (f) other fields of forestry which may be agreed through discussions by the Parties.

3. Types of cooperation may include, but are not limited to, the following:

- (a) experience sharing and information exchange in the areas of mutual interests;
- (b) promotion of joint fora, seminars, symposiums, conferences, research and development, education and training;
- (c) exchange of researchers, technicians, experts and officials; and
- (d) other types of cooperation as may be mutually determined by the Parties.

Section C: Industrial Cooperation

Article 17.8: Steel Cooperation

1. The Parties, as major exporters of steel products, shall promote cooperative activities in these fields.
2. Areas of steel industry cooperation may include, but are not limited to the following:
 - (a) exchanging information of both Parties on domestic regulations and supporting policy in the steel market.
 - (b) exchanging information of both Parties on the domestic steel market including supply and demand; and
 - (c) cooperation to promote a fair competitive environment in the steel market.

Article 17.9: Small and Medium-Sized Enterprises Cooperation

1. The Parties shall endeavor to promote a favorable environment for the development of small and medium-sized enterprises (hereinafter referred to as the “SMEs”).
2. The Parties will cooperate in the field of SMEs by encouraging relevant private and governmental bodies to build capacities of SMEs, including utilizing existing bilateral Small and Medium Business Policy Exchange Committee Mechanism, established by the relevant or competent authorities of the Parties.
3. Areas of SMEs cooperation may include, but are not limited to, the following:
 - (a) facilitating the investment flows between SMEs of the Parties;
 - (b) fostering more exchange of information on trade procedures, trade promotion networks, joint business fora, business cooperation instruments, and any other relevant statistics and information for traders who are SMEs;
 - (c) promoting training and exchange programs for small and medium-sized enterprises traders of the Parties, and exploring promising fields suitable for inter-governmental cooperation on SMEs;

- (d) enhancing exchange of experiences between the public agencies of the Parties on initiatives and policy instruments for the development of enterprises, with a special focus on SMEs; and
- (e) enhancing competitiveness of micro enterprise through cooperation of private and governmental bodies and exchange of information related with micro enterprise.

Article 17.10: Information and Communications Technology Cooperation

1. The Parties, recognizing the rapid development of Information and Communications Technology (hereinafter referred to as the “ICT”) shall endeavor to promote the development of ICT and ICT-related services with a view to obtaining the maximum benefit of the use of ICT for the Parties.

2. Areas of ICT Cooperation may include, but are not limited to, the following:

- (a) promoting cooperation between the private and public sectors of the Parties;
- (b) enhancing cooperation in international exhibition and fora related to ICT;
- (c) undertaking other appropriate cooperative activities; and
- (d) mutual cooperation and support in international organizations related to international standards.

3. The Parties will encourage cooperation in the following areas, including, but not limited to, the following:

- (a) scientific and technical cooperation for the software industry of the Parties;
- (b) research and development and management of information technology parks;
- (c) research and development on information technology services such as integration of broadcasting and telecommunications;

- (d) research and development and deployment of networks and telecommunications, when the Parties agree on the necessity of such activities; and
- (e) any other areas as agreed by the Parties, such as Intelligent Transport Systems, Automobile Electronics, Mobile Intelligent Terminals, and Key Materials and devices of flat panel display.

Article 17.11: Cooperation in Textile

1. The Parties shall promote the following cooperation as a means of building mutually beneficial partnership in textile industry chain.
2. Areas of textile cooperation may include, but are not limited to, the following:
 - (a) development and application of industrial textile, functional fiber fabric, fine fabric and knitted fabric;
 - (b) cooperation and exchange of apparel and fashion design, brand marketing and promotion;
 - (c) cooperation and exchange in such areas as standard quality system certification, and advanced management experience;
 - (d) exchange of technology, information, researchers, technicians and other experts; and
 - (e) any other areas agreed by the Parties.
3. The Parties shall:
 - (a) promote textile cooperation through related governmental organizations, industry associations and enterprises engaged in textile industry chain; and
 - (b) facilitate organization of joint fora, seminars, conferences, exhibition and

research projects.

Article 17.12: Contact Points

The Parties will designate the contact points on industrial cooperation, as below, in order to facilitate discussion;

- (a) for China, the Ministry of Industry and Information Technology, or its successor; and
- (b) for Korea, the Ministry of Trade, Industry and Energy, or its successor.

Section D: Government Procurement

Article 17.13: Objectives

The Parties, recognizing the importance of government procurement in their respective economies, shall endeavor to promote cooperative activities between the Parties in the field of government procurement.

Article 17.14: Transparency

The Parties shall publish their laws, or otherwise make publicly available their laws, regulations and administrative rulings of general application as well as their respective international agreements that may affect their procurement markets.

Article 17.15: Exchange of Information

1. The Parties shall at the national level, subject to their respective laws and regulations, exchange information on their respective laws and regulations on government procurement.
2. The exchange of information under paragraph 1 shall be facilitated through the following

governmental authorities:

- (a) for China, the Ministry of Finance; and
- (b) for Korea, the Ministry of Strategy and Finance, and the Public Procurement Service or their successors.

Article 17.16: Contact Points

The Parties will designate the contact points on government procurement, as below, in order to facilitate discussion:

- (a) for China, the Ministry of Finance; and
- (b) for Korea, the Ministry of Strategy and Finance, and the Public Procurement Service, or their successors.

Article 17.17: Further Negotiation

The Parties agree to commence negotiations on government procurement as soon as possible following completion of negotiations on the accession of China to the *WTO Agreement on Government Procurement* with a view to concluding, on a reciprocal basis, an agreement on government procurement between the Parties.

Section E: Other Areas for Cooperation

Article 17.18: Energy and Resources Cooperation

1. The Parties shall promote cooperation under this Chapter as a means of building a stronger, more stable, and mutually beneficial partnership in the field of energy and resources.
2. The Parties shall:

- (a) promote cooperation between the public and private sectors of the Parties, through their government bodies, public organizations, research centers, universities, and enterprises, engaged in the field of energy and resources;
- (b) encourage and support business opportunities, including investment, related to plant construction in the field of energy and resources for a stable and mutually beneficial bilateral relationship;
- (c) recognize and facilitate activities related to agreements and cooperation entities that have already been organized; and
- (d) enhance policy dialogues on energy saving and comprehensive utilization of resources through senior seminars and other forms and promote cooperation on environment industry through projects, workshop, training, field visits and other appropriate forms.

3. The Parties shall facilitate visits and exchanges of researchers, technicians, and other experts, and shall also promote joint fora, seminars, symposia, conferences, exhibitions, and research projects.

Article 17.19: Science and Technology Cooperation

1. The Parties, recognizing the importance of science and technology in their respective economies, shall endeavor to develop and promote cooperative activities in the field of science and technology.

2. The Parties will encourage and facilitate cooperation in areas, as appropriate, including, but not limited to, the following:

- (a) joint research and development, including, if necessary, sharing of equipment;
- (b) exchange of scientists, researchers, research equipment engineers, technicians, and experts;
- (c) joint organization of seminars, symposia, conferences, and other scientific and technical meetings, including the participation of experts in those activities;

- (d) exchange of information on practices, policies, laws, regulations, and programs related to science and technology;
- (e) cooperation in the commercialization of products and services resulting from joint scientific and technological activities; and
- (f) any other forms of scientific and technological cooperation as agreed by the Parties.

Article 17.20: Maritime Transport Cooperation

The Parties shall endeavor to cooperate in maritime transport through:

- (a) establishing contact points to facilitate information exchange on matters related to maritime transportation and logistics services;
- (b) arranging training programs and technical cooperation related to port operation and management; and
- (c) arranging technical assistance and capacity building activities related to maritime transportation, including the vessel traffic service.

Article 17.21: Tourism Cooperation

The Parties, recognizing that tourism contributes to the enhancement of mutual understanding between them and is an important industry for their economies, shall endeavor to:

- (a) explore the possibility of undertaking joint research on tourism development and promotion to increase inbound visitors to each Party;
- (b) encourage the relevant authorities and agencies of the Parties to strengthen cooperation in tourism training and education, to ensure high-quality services for tourists of the Parties;

- (c) cooperate in joint campaigns to promote tourism in the territories of the Parties through workshops and seminars among the relevant authorities and agencies of the Parties;
- (d) collaborate to promote the sustainable development of tourism in the territories of the Parties;
- (e) exchange information on relevant statistics, promotional materials, policies, and laws and regulations in tourism and related sectors; and
- (f) encourage tourism and transportation authorities and agencies to improve the aviation connectivity between the Parties.

Article 17.22: Outbound Tourist Cooperation

1. China encourages Korean tourist firms to apply, in accordance with relevant laws and regulations of China, for outbound tourist operational business under the current pilot project scheme.⁶⁵
2. With regard to the application of Korean tourist firms, China will give priority in positively considering the authorization of Korean tourist firms to operate outbound tourist business, provided that the applying Korean firms meet all the requirements as stipulated in the relevant laws and regulations of China.
3. The China National Tourism Administration and the Ministry of Culture, Sports and Tourism of Korea will establish a channel to enhance this cooperation.

Article 17.23: Cultural Cooperation

1. The objective of cultural cooperation is to promote cultural exchanges between the Parties. In attaining this objective, the Parties shall respect the existing agreements or arrangements already in effect for cultural cooperation.

⁶⁵ The current pilot project scheme means the scheme operated by China National Tourism Administration (CNTA) since 2010 in accordance with Decree No.33 issued by the Ministry of Commerce and CNTA under which four foreign invested tourist firms have acquired the permission of operating outbound tourist business.

2. The Parties, in conformity with their respective legislations and without prejudice to the reservations included in their commitments in other Chapters of this Agreement, shall encourage exchanges of expertise and best practices regarding the protection of cultural heritage sites and historic monuments, including environmental surroundings and cultural landscapes.
3. The Parties endeavor to exchange information to identify, recover, and avoid the illegal traffic of their cultural heritage under the existing bilateral cooperation mechanism.
4. The Parties shall endeavor to promote cooperation in broadcasting and audio-video services sectors, for the purpose of deepening mutual understanding between the Parties.

Article 17.24: Pharmaceuticals, Medical Devices and Cosmetics Cooperation

1. The Parties shall endeavor to cooperate for mutual growth and development in the sector of pharmaceuticals, medical devices and cosmetics, recognizing the importance of improving and protecting public health.
2. Areas of cooperation in the sector of pharmaceuticals, medical devices, and cosmetics include, but are not limited to the following:
 - (a) information exchange on :
 - (i) policies including legislative progress and enforcement; and
 - (ii) conferences, seminars, workshops, exhibitions, fairs and other events to encourage participation;
 - (b) cooperation in relevant private sector:
 - (i) exchange of researchers, students and those involved in relevant industries;
 - (ii) joint research programs and projects and their commercialization;
 - (iii) product quality upgrade, supply-chain networking, technology trade, etc.; and
 - (iv) promotion and facilitation of mutual investment opportunities.

Article 17.25: Local Economic Cooperation

1. The Parties agree to facilitate the local economic cooperation, taking full use of advantages of the outcome of this Agreement, and initiate pilot cooperation project by identifying Weihai and Incheon Free Economic Zone (IFEZ) as demonstration areas. The detailed programs of such cooperation shall be discussed by the municipal government of Weihai and Incheon after the conclusion of the negotiations of this Agreement.
2. The pilot cooperation project will explore and carry out cooperation in the fields including, but not limited to, trade, investment, services, industrial cooperation, so as to play an exemplary and leading role for local economic cooperation under the framework of this Agreement.
3. The Parties will explore the possibility to expand the local economic cooperation nationwide, after reviewing the results of the pilot cooperation project.

Article 17.26: China-Korea Industrial Complexes/Parks

1. The Parties agree to strengthen cooperation in establishment, operation and development in the Industrial Complexes/Parks to be designated by the Parties, including knowledge sharing, exchanging information and facilitating investment.
2. The Parties shall endeavor to promote mutual investment by companies in the Industrial Complexes/Parks to be designated by the Parties.

Article 17.27: Contact Points

The Parties will designate the contact points on other areas for cooperation, except for outbound tourist cooperation under Article 17.22, in order to facilitate discussion;

- (a) for China, the Ministry of Commerce, or its successor; and
- (b) for Korea, the Ministry of Trade, Industry and Energy, or its successor.