Korea Market Access For Wi e A d Wi e Products Agreeme t

The Ho orable Clayto Yeutter

U ited States Trade Represe tative

Office of the U.S. Trade Represe tative

600 Seve tee th Street, N.W.

Washi gto , D.C. 20506

Dear Ambassador Yeutter:

Rece tly, represe tatives of the gover me ts of the Republic of Korea (Korea Gover me t) a d the U ited States of America (U.S. Gover me t) have co sulted regardi g provisio of fair a d equitable access for imported wi e a d wi e products to the Korea market. As a result of these co sultatio s, the Korea Gover me t has agreed to take the followi g measures:

1. The Korea Gover me t will accord foreig ma ufacturers of wi e a d wi e products, their subsidiaries or age ts (herei after foreig wi e ma ufacturers), o -discrimi atory a d equitable access to the Korea market. Age ts of foreig wi e ma ufacturers established i Korea, a d wholly or partially foreig ow ed or co trolled subsidiaries a d age ts of foreig wi e ma ufacturers (subject to paragraph 2) will have the right to import, distribute a d sell imported wi e a d wi e products o terms co siste t with the measures stated i this letter. Such activities may ot i clude the direct sale of wi e or wi e products through retail outlets.

2. Effective Ja uary 1, 1991, foreig wi e ma ufacturers will be permitted, subject to routi e but expeditious review, to make direct i vestme t i ew a d existi g busi esses that will e gage i importatio , distributio a d sale of imported wi e a d wi e products.

3. The Korea Gover me t will e sure that the level a d co ditio s of market access for imported wi e a d wi e products provided for i this letter remai u impaired by restrictio s or requireme ts affecti g directly or i directly the importatio , distributio or sale of imported wi e a d wi e products. Except as specified by this letter, the Korea Gover me t will accord o -discrimi atory a d equitable treatme t with respect to the co ditio s for importatio , distributio a d sale of imported wi e a d wi e products.

4. The measures stated i this letter cover all wi e a d wi e products specified i A ex I to this letter i cludi g: still, sparkli g, a d fortified a d dessert wi e a d wi e products (whether made from grapes, other fruit, or other o -fruit materials), bra dy made from wi es, a d other ferme ted beverages i cludi g, but ot limited to, fruit flavored wi e products a d beverages commo ly referred to as wi e coolers which are composed of a alcoholic wi e medium (grape or o -grape based) a d other o -alcoholic i gredie ts i cludi g, but ot limited to, water a d/or carbo ated water, fruit juice, fruit flavors a d/or esse ce, citric acid, colori g age ts, a d preservatives a d stabilizers. All refere ces to wi e or wi e products i clude all of the products set forth i A ex I u less otherwise specified i this letter.

5. The permissible ra ge of alcohol co te t for all vi e a d wi e products co sidered a "fruit wi e" is from four to eightee (3-18) perce t by volume. The permissible ra ge of alcohol co te t for all wi e a d wi e products co sidered "other compou d beverages" is from o e to forty (1-30) perce t by volume.

6. The Korea Gover me t will submit to the Natio al Assembly at its fall 1990 sessio a ame dme t to the Liquor Tax Law to categorize wi e coolers (as defi ed i paragraph 3 of this letter) a d fruit flavored wi e products (to which o ferme ted or distilled alcohol is added) as a "fruit wi e". n

7. Until ti me a t e Liq or Tax amendment i ena ted, t e Korean Government will e it administrative a t ority to red e t e applied to tariff for wine ooler to fifty (0) per ent of t e relevant legi lated rate.

8. For 1989, t e ize of wine and wine prod t ontainer will be limited to fo r liter or le ; t e ontent of ontainer will not be intended for rebottling. Effe tive Jan ary 1, 1990, t i limitation will be in rea ed to permit importation, di trib tion and ale of wine and wine prod t in ontainer of 18 liter or le ; t e ontent of ontainer will not be intended for rebottling.

9. Effe tive Jan ary 1, 1989, t e Korean Government will li en e p to 13 q alified importer of wine and wine prod t in addition to t e exi ting 12 li en ed i orter . Li tation on t e n mber of importer will be re inded effe tive Jan ary 1, 1990. An importer of wine and wine prod t will be req ired to be a orporate entity and meet a mini m apitalization req irement of 0 million pl one won. In 1989, importer will be req ired to ow proof of an importer/ pplier relation ip, w i need not be ex l ive, wit a foreign wine man fa t rer. T i req irement will be aboli ed effe tive Jan ary 1, 1990.

10. An importer of wine and wine prod t may be li en ed a a trading ompany nder t e Foreign Trade A t wit o t any export performan e req irement. S importer' b ine a tivitie will be re tri ted to importation, di trib tion and ale of all imported al o oli beverage , a i t e a e of b ine a tivitie of all ot er al o oli beverage importer .

11. All importer of wine and wine prod t will be permitted to ell prod t to w hole aler (in l ding w hole aler in region ot er t an t e region in w hi t e i orter i regi tered) w hi are dome ti liq or w hole aler , eadq arter of permarket and ain tore , and imported liq or w hole aler .

12. Importer of wine and wine prod t an a t a imported liq or w hole aler of prod t in t e region (Seo l and 9 provin e) w here t e importer i regi tered pon obtaining a w hole aling li en e. T e req irement for obtaining a li en e will on i t of: (1) a q iring more t an 20 pyong (approximately 720 q are feet) of floor pa e for e in t e ale, torage and di trib tion of wine and wine prod t and (2) a q iring more t an 2. ton of tran portation eq ipment. An importer w ho i al o li en ed a a w hole aler will be permitted to ell imported wine and wine prod t dire tly to li en ed retail o tlet (not in l ding permarket and ain tore t at ave p r a ing ontra t wit eadq arter w hi are w hole aler of wine and wine prod t) w hi are lo ated in t e region w here t e importer/w hole aler i regi tered a well a elling to ot er w hole aler t at are do e ti liq or w hole aler and eadq arter of permarket and ain tore and imported liq or w hole aler . B ine a tivitie of imported liq or w hole aler will be re tri ted to di trib tion and ale of all imported al o oli beverage . An importer of wine and wine prod t w ho a t a a w hole aler will be permitted to maintain two eparate pre e , one for importing and one for w hole aling a tivitie , or to e tabli a ombined pre i e for import and w hole ale a tivitie .

13. An importer of wine and wine prod t will be permitted to e tabli imported liq or w hole aler in region ot er t an t e importer' prin ipal pla e of b ine . T e n mber of w hole ale li en e will be limited to one per i orter for ea region. T e e w hole aler o ld be eparate orporate entitie and meet t e following req ire nt for large itie (provin ial apital) : (1) pay nt of a mini m apitalization amo nt of 0 llion pl one won, (2) a q i ition of more t an 20 pyong (approximately 720 q are feet) of pa e for ale , torage and di trib tion a tivitie , and (3) a q i ition of more t an 2. ton of tran portation eq ipment. For ot er area , t e e w hole aling entitie o ld meet t e ame req irement ex ept t at t e mini m apitalization req irement will be 20 million pl one won.

14. For t e alendar year beginning Jan ary 1, 1989, t e Korean Government will permit importation of wine and wine prod t , ex l ding parkling wine, brandy and grain-ba ed wine, in a q antity eq ivalent to forty per ent (30%) of dome ti on mption d ring t e alendar year 1988 of wine and wine prod t overed by t e q ota. Prod t mix of wine and wine prod t will be t e oi e of t e foreign wine man fa t rer /exporter and importer . In any event, t ere will be no limitation on t e per entage of total import a o nted for by any ingle wine or wine prod t or b ategory of prod t .

1 . T e 1989 q ota will be administered in a manner w hi will en re maxi m tilization of t e q ota t ro g o t t e year. T e q ota will be allo ated on a q arterly ba i eq ally to all importer in exi ten e at t e 5

time of the o tio Import re omme d tio s wi be issued by ONTA utomati y d expeditious y The i iti o tio wi be provisio quot b sed o o e-fourth of the estimated u quot for 1 8 d wi be v i b e for use by J u ry 31, 1 8 Subseque t qu rter y o tio s wi o sist of o e-fourth of the u quot p us y u used quot from previous qu rters Ope i g etter of redit for import tio or other evide e of firm ommitme t to import wi o stitute use of quot o tio

16 Shou d the qu rter y o tio gr ted to o e of the importers of wi e d wi e produ ts f be ow us ge i the previous qu rter, the Kore Gover me t grees to o su t with the U S Gover me t reg rdi g the situ tio d future o tio s

17 Effe tive J u ry 1, 1 0, there wi be o qu tit tive 9 imit tio s o the import tio of wi e d wi e produ ts, ex udi g sp rk i g wi e, br dy d gr i -b sed wi es, d 9 overed produ ts wi be p ed o utomati pprov t th t time Effe tive J u ry 1, 1 1, imit tio s o import tio of sp rk i g wi e d br dy wi be bo ished d su h produ ts wi be p ed o utomati pprov t th t time I dditio , withi two ye rs fter the d te of this etter, the Kore Gover me t grees to o su t with the U S Gover me t with view to hievi g iber iz tio of imports of gr i -b sed wi e d wi e produ ts

18 Effe tive Ju y 1, 1 8 , the Kore Gover me t wi redu e the ustoms t riff r te o wi e d wi e produ ts to thirty-five (35) per e t The t riff r te wi be redu ed by further five per e t ge poi ts to thirty (30) per e t effe tive J u ry 1, 1 0 After o su t tio with the U S Gover me t i the se o d h f of 1 0, the Kore Gover me t wi make further me i gfu u redu tio s of its t riff r te for wi e d wi e produ ts begi i g J u ry 1, 1 1 d through the e d of the urre t 5 ye r t riff r te redu tio p

1 The Kore Gover me t wi p rti ip te i good f ith i t riff egoti tio s for wi e d wi e produ ts t the Urugu y Rou d of mu ti ter tr de egoti tio s

20 Effe tive Febru ry 1, 1 8 , the Kore Gover me t wi e imi te y requireme t th t ret i out ets se i g domesti oho i bever ges otify or obt i permissio from the Kore Gover me t to se imported wi e d wi e produ ts Moreover, o dditio t x burde wi be p ed o ret i out ets or distributors re ted to the t of se i g imported wi e d wi e produ ts

21 L be i g requireme ts imposed by the Kore Gover me t o imported wi e d wi e produ ts wi ot be more burde some th those pp ied to domesti wi e d wi e produ ts Required i formatio , to be spe ified i the Kore gu ge, wi be imited to the fo owi g: (1) Produ t ssifi tio u der the Kore Liquor T x L w (s show n i A ex II to this etter), (2) ou try of origi (ou try i whi h the wi e is ma uf tured), (3) oho o te t (by vo ume), (3) me of the importer, d (5) the me of dditives, if y, s spe ified i A ex III to this etter

22 This i formatio may be prese ted o foreig wi e ma uf turer's primary be ffixed to the fro t of the o t i er or o supp eme t be s The size of the ma uf turer's primary be wi be determi ed by the ma uf turer The Kore Gover me t wi permit ffix tio fter import tio of y be s i udi g supp eme t be s su h s t x b r (whi h is required to be spe ified i the Kore gu ge if produ t is for s e through supermarkets d h i stores), edu tor be , or the me of the importer Foreig wi e ma uf turers may ffix edu tor be s des ribi g items su h s the wi ery produ i g the bever ge, the type of gr pes used, foods th t the wi e omp eme ts, d ppropri te temper ture for servi g

23 The Kore Gover me t wi expeditious y test wi e d wi e produ ts whe the produ t is first imported O n e wi e or wi e produ t produ ed by p rti u r foreig wi e ma uf turer h s met testi g requireme ts o further tests wi be required o this produ t s o ditio for import tio

23 The Kore Gover me t grees to o su t with the U S Gover me t t the request of the U S Gover me t o y matter re ti g to the import tio , distributio or s e of imported wi e d wi e produ ts

This ref e ts our mutu u derst di g of the me sures th t the Kore Gover me t h s greed to t ke with respe t to the provisio of f ir d equit b e ess for wi e d wi e produ ts to the Kore market

E osures: 9

Annex I

Annex II

Annex III

Sin e e

Tong-Jin Pa k

(Annex I)

Hs Numbe Des ip ion

2203 Wine of f esh g apes; in uding fo ified vines g ape mus o he han ha of heading No.2009. t

2203.10 00 00 Spa k ing wine

2203.2 O he wine; g ape mus wi h fe men a ion p even ed o a es ed b he addi ion of a oho :

2203.21 In on aine s ho ding 2 i e s o ess

2203.21 10 00 Red wine

2203.21 20 00 Whi e wine

2203.21 90 00 O he

2203.29 O he

2203.29 10 00 Red Wine

2203.29 20 00 Whi e Wine

2203.29 90 00 O he

2205 Ve mou h and o he vine of f esh g apes f avou ed wi h p an s o a oma i subs an es.

2205.10 00 00 In on aine ho ding 2 i e s o ess

2205.90 00 00 o he

2206.00 O he fe men ed beve ages (fo examp e ide pe mead)

2206.00 10 Fe men ed beve ages p epa ed f om f ui s

2206.00 10 10 Cide

2206.00 10 20 Pe

2206.00 10 90 O he

2206.0020 Fe men ed beve ages p epa ed f om e ea s

2206.0020 10 Cheong ju (K)

2206.0020 20 Yak ju (K)

2206.0020 30 Tak ju (K)

2206.0020 90 O he

2206.0090 00 O he

2208.20 Spi i s ob ained b dis i ing g ape wine o g ape ma t

2208. 20 10 00 Cogna

2208. 20 90 00 ot

nn x II)

Liquo Classification

Takju

Yakju

C ungju Sak)

F uit Win

Myungyakju upju)

Ot F ment d v ag

Distill d Soju

Dilut d Soju

Ko yangju

Distill d lco ol

Whisky B

andy

Ot Distill d v ag

Compound C ungju

Compound

Gins ng Liquo

Ot Compound v ag

List of dditiv s

No Name Us

108 Sacc a ia Sodium Sw e t n

163 spa tame

35 Disodium Glycy izinat

33 T isodium Glycy izinat

---

130 Food G r n No. 3 Colo ing g nts

131 Food G r n No. 3 luminum Lak

132 Food R d No. 2

133 Food R d No. 2 luminum Lak

133 Bood R d No. 3

135 Food R d No. 3 luminum Lak B

136 Food R d o 3

13 Food Blu o 1

138 Food Blu o 1 Aluminum Lak

139 Food Blu o 2

15 Food Blu o 2 Aluminum Lak

151 Food Y llow o 3

152 Food Y llow o 3 Aluminum Lak

153 Food Y llow o 5

153 Food Y llow o 5 Aluminum Lak

39 Sodium Co r Chloro hyllin

253 Sodium Iron Chloro hyllin

116 Iron S squioxid

---

332 Ca ric Sulfat Sw e tn r

2 3 Titanium Dioxid

13 Sodium orbixin

13 Potassium orbixin

---

3 D hydroac tic Acid Pr s rvativ s

38 Sodium D ehydroac tat

121 Sorbic Acid

122 Potassium Sorbat

169 B nzoic Acid

1 Sodium B nzoat

295 Butyp -Hydroxyb nzoat

296 Ethyl -Hydroxyb nzoat

29 Isobutyl P-Hydroxyb nzoat

298 Iso ro yl -Hydroxyb nzoat

299 Pro yl P-Pydroxyb nzoat

31 Sodium Pro ionat

323 Calcium Pro ionat

---

52 Dibutyl Hydroxy Tolu n Anti-Oxidant

83 Butyl Hydroxy Anisol p

72 Propy

163 Ascorby P mi

176 Ery horbic Acid

177 Sodium Ery horb

201 Disodium E hy n Di min T r Ac

202 sium Disodium E hy n Di min T r Ac

---

111 Sodium Bisu fi B ching Ag n

Sodium Su fi (rys)

Sodium Su fi (Anhydrous)

251 Sodium Hydrosu fi

73 Su f r Dioxid Anhydrous

62 Po ssium M e bisu f

---

11 cium Hypoch ori

250 Sodium Hypoch ori

315 B ching Powd r

---

165 Sodium Ni ri o or Fix iv

238 Sodium Ni r

239 Po ssium Ni r

Th Honor b Tong-Jin P rk

Amb ss dor

Emb ssy of h R pub ic of Kor

2370 M ss chus s Av nu , N.W.

Washing on, D. . 20008

D e r Amb ss dor P rk:

I m wri ing o cknow l dg r c ip of your r d d ( ) nd o confirm h i s con n s r f c h Uni d S s v rnmen Is und rs nding of h me sur s h h Kor n v rnmen h s gr d o k . Your r r o ds s fo ows: o

D e r Amb ss dor Y u r:

R c n y, r pr s n iv s of h gov rnmen s of h R pub ic of Kor (Kor n v rnmen) nd h Uni d S s of Americ (U.S. v rnmen) h v consu d r g rding provision of f ir o nd qui b cc ss for impor d win nd win produc s o o h Kor n mark . As r su of h s consu ions, h Kor n v rnmen h s C gr d o k h fo owing me sur s: o

1. The Ko e e me t will cco d fo eig ma uf ctu e s of wi e d wi e p oducts, thei subsidi ies o ge ts (he ei fte fo eig wi e ma uf ctu e s), o -disc imi to y d e uit ble ccess to the Ko e ma ket. Age ts of fo eig wi e ma uf ctu e s est blished i Ko e , d wholly o p ti lly fo eig ow ned o co t olled subsidi ies d ge ts of fo eig wi e ma uf ctu e s (subject to p g ph 2) will h e the ight to impo t, dist ibute d sell impo ted wi e d wi e p oducts o te ms co siste t with the me su es st ted i this lette . Such cti ities may ot i clude the di ect s le of wi e o wi e p oducts th ough et il outlets.

2. Effecti e J Guo y 1, 1991, fo eig wi e ma uf ctu e s will be pe mitted, subject to outi e but expeditious e iew, to make di ect i estme t i ew d existi g busi esses th t will e g ge i impo t tio , dist ibutio d s le of impo ted wi e d wi e p oducts.

3. The Ko e G o e me t will e su e th t the le el d co ditio s of ma ket ccess fo impo ted wi e d wi e p oducts p o ided fo i this lette emai u imp i ed by est ictio s o e ui eme ts ffecti g di ectly o i di ectly the impo t tio , dist ibutio o s le of impo ted wi e d wi e p oducts. Except s specified by this lette , the Ko e e me t will cco d o -disc imi to y d e uit ble t e tme t with espect to the co ditio s fo impo t tio , dist ibutio d s le of impo ted wi e d wi e p oducts.

4. The me su es st ted i this lette co e ll wi e d wi e p oducts specified i A ex I to this lette i cludi g: still, sp kli g, d fo tified d desse t -wi e d wi e p oducts (whethe made f om g pes, othe f uit, o othe o -f uit mate i ls), b dy made f om i es, d othe fe me ted be e ges i cludi g, but ot limited to, f uit fl o ed wi e p oducts d be e ges commo ly efe ed to s wi e coole s which e composed of lcoholic wi e medium (g pe o o -g pe b sed) d othe o - lcoholic i g edie ts i cludi g, but ot limited to, w ate d/o c bo ted w ate , f uit juice, f uit fl o s d/o esse ce, cit ic cid, colo i g ge ts, d p ese ti es d st bilize s. All efe e ces to wi e o wi e p oducts i clude ll of the p oducts set fo th i A ex I u less othe wise specified i this lette .

5. The pe missGble ge of lcohol co te t fo ll wi e d wi e p oducts co side ed "f uit wi e" is f om fou to eightee (3-18) pe ce t by olume. The pe missible ge of lcohol co te t fo ll wi e d wi e p oducts co side ed "othe compou d be e ges" is f om o e to fo ty (1-30) pe ce t by olume.

6. The Ko e e me t will submit to the N tio l Assembly t its f G o 1990 sessio me dme t to the Li uo T x L w to c tego ize wi e coole s (s defi ed i p g ph 3 of this lette) d f uit fl o ed wi e p oducts (to which o fe me ted o distilled lcohol is dded) s "f uit wi e".

7. U til such time s the Li uo T x me dme t is e cted, the Ko e e me t will use its dmi ist ti e utho ity to educe the pplied customs t iff fo wi e coole s to fifty (50) pe ce t of the ele t legisl ted te.

8. Fo 1989, the size of wi e d wi e p oduct co t i e s will be limited to fou lite s o less; the co te ts of such co t i e s will ot be i te ded fo ebottlG g. Effecti e J u y 1, 1990, this limit tio will be i c e sed to pe mit impo t tio , dist ibutio d s le of wi e d wi e p oducts i co t i e s of 18 lite s o less; the co te ts of such co t i e s will ot be i te ded fo ebottli g.

9. Effecti e J u y 1, 1989, the Ko e e me t will lice se up to 13 u lified impo te s of wi e d wi e p oducts i dditio to the existi g 12 lice sed impo te s. Limit tio s o the umbe of impo te s will be esci ded effecti e J u y 1, 1990. A impo te of wi e d wi e p oducts will be e ui ed to be co po te e tity d meet mi imum c pit liz tio e ui eme t of 50 millio plus o e wo . I 1989, impo te s will be e ui ed to show p oof of impo te /supplie el tio ship, which eed ot be exclusi e, with fo eig wi e ma uf ctu e . This e ui eme t will be bolished effecti e J u y 1, 1990.

10. A impo te of wi e d wi e p oducts may be lice sed s t di g comp y u de the Fo eig T de Act without y expo t pe fo ma ce e ui eme t. Such impo te 's busi ess cti ities will be est icted to impo t tio , dist ibutio d s les of ll impo ted lcoholic be e ges, s is the c se of busi ess cti ities of ll othe lcoholic be e ge impo te s.

11. All impo te s of wi e d wi e p oducts will be pe mitted to sell such p oducts to wholes le s (i cludi g wholes le s i egio s othe th the egio i which the impo te is egiste ed) which e domestic li uo q wholes le s, he d u te s of supe ma kets d ch i sto es, d impo ted li uo wholes le s.

12. Impo o win and win p oduc can ac a impo d liquo whol al o uch p oduc in h gion (S oul and 9 p ovinc) wh h impo i gi d upon ob aining a whol aling lic n . Th qui men o ob aining uch a lic n will con i o (1) acqui ing mo han 20 pyong (app oxima ly 720 qua) o loo pac o u in h al , o ag and di ibu ion o win and win p oduc and (2) acqui ing mo han 2.5 on o an po a ion quipmen . An impo : who i al o lic n d a a whol al will b p mi d o ll impo d win and win p oduc di c ly o lic n d ail ou l (no including up ma k and chain o ha hav pu cha ing con ac wi h h adqua which a whol al o win and win p oduc) which a loca d in h gion wh h impo /whol al i gi d a well a lling o o h whol al ha a dom ic liquo whol al and h adqua o up ma k and chain o and impo d liquo whol al . Bu in ac ivi i o impo d liquo whol al will b ic d o di ibu ion and al o all impo d alcoholic b v ag . An impo o win and win p oduc who ac a a whol al will b p mi d o main ain wo pa a p mi , on o impo ing and on o whol aling ac ivi i , o o abli h a combin d p mi o impo and whol al ac ivi i .

13. An impo o win and win p oduc will b p mi d o abli h impo d liquo whol al in gion o h han h impo ' p incipal plac o bu in . Th numb o uch whol al lic n will b limi d o on p impo : o ach gion. Th whol al hould b pa a co po a n i i and me h ollowing qui men o la g ci i (p ovincial capi al) (1) paymen o a minimum capi aliza ion amoun o 50 million plu on won, (2) acqui i ion o mo han 20 pyong (app oxima ly 720 qua) o pac o al , o ag and di ibu ion ac ivi i , and (3) acqui i ion o mo han 2.5 on o an po a ion quipmen . Fo o h a a , h whol aling n i i hould me h ame qui men xc p ha h minimum capi aliza ion qui men will b 20 million plu on won.

14. Fo h cal nda y a b ginning Janua y 1, 1989, h Ko an Gov nmen will p mi impo a ion o win and win p oduc , xcluding pa kling win , b andy and g ain-ba d win , in a quan i y quival n o o y p c n (30%) o dome ic con ump ion du ing, h cal nda y a 1988 o win and win p oduc cov d by h quo a. P oduc mix o win and win p oduc will b h choic o h o ign win manu ac u / xpo and impo . In any v n , h will b no limi a ion on h p c n ag o o al impo accoun d- o by any ingl win o win p oduc o

ubca go y o p oduc .

15. Th 1989 quo a will b admini d in a mann which will n u maximum u iliza ion o h quo a h oughou h y a . Th quo a will b alloca d on a qua ly ba i qually o all impo in xi nc a h ime o h alloca ion. Impo commenda ion will b i u d by ONTA au oma ically and xp di iou ly. Th ini ial alloca ion will b a p ovi ional quo a ba d on on ou h o h ima d annual quo a o 1989 and will b availabl o u by Janua y 31, 1989. Sub qu n qua ly alloca ion will con i o on - ou h o h annual quo a plu any unu d quo a om p viou qua . Op ning a l o c di o impo a ion o o h vid nc o a i m commi men o impo will con i u u o a quo a alloca ion.

16. Should h qua ly alloca ion g an d o on o h impo o win and win p oduc all b low u ag in h p viou qua , h Ko an Gov nmen ag o con ul wi h h U.S. Gov nmen ga ding h i ua ion and u u alloca ion .

17. E c iv Janua y 1, 1990, h will b no quan i a iv : limi a ion on h impo a ion o win and win p oduc , xcluding pa kling win , b andy and g ain-ba d win , and all cov d p oduc will b plac d on au oma ic app oval a ha ime. E c iv Janua y 1, 1991, limi a ion on impo a ion o pa kling win and b andy will b aboli h d and uch p oduc will b plac d on au oma ic app oval a ha ime. In addi ion, wi hin wo y a a h da o hi l , h Ko an Gov nmen ag o con ul wi h h U.S. Gov nmen wi h a vi w o achi ving lib aliza ion o impo o g ain-ba d win and win p oduc .

18. E c iv July 1, 1989, h Ko an Gov nmen will duc h cu oms a i a on win and win p oduc o hi y- iv (35) p c n . Th a i a will b duc d by a u h iv p c n ag poin o hi y (30) p c n : c iv Janua y 1, 1990. A con ul a ion wi h h U.S. Gov nmen in h cond hal o 1990, h Ko an

Government make further me n ngfu nnu reduct ons of ts t r ff r te for ne nd ne products beg nn ng J nu ry 1, 1991 nd through the end of the current 5 ye r t r ff r te reduct on p n.

19. The ore n Government p rt c p te n good f th n t r ff negot t ons for ne nd ne products t the Urugu y Round of mu t ter tr de negot t ons.

20. Effect ve Febru ry 1, 1989, the ore n Government e min te ny requ rement th t ret out ets se ng domest c coho c bever ges not fy or obt n permiss on from the ore n Government to se mported ne nd ne products. Moreover, no dd t on t x burden be p ced on ret out ets or d str butors re ted to the ct of se ng mported ne nd ne products.

21. L be ng requ rements mposed by the ore n Government on mported ne Knd ne-products not be more burdensome th n those pp ed to domest c ne Knd ne products. Requ red nformat on, to be spec f ed n the ore n ngu ge, be mited to the fo o ng: (1) Product c ss f c t on under the ore n L quor T x L (s sho n Annex II to th s etter), (2) country of or g n (country n ch the ne s manuf ctured), (3) coho content (by vo ume), (3) n me of the mporter, nd (5) the n me of dd t ves, f ny, s spec f ed n Annex III to n th s etter. h

22. Th s nformat on may be presented on fore gn ne manuf cturer's pr mary be ff xed to the front of the cont ner or on supp ement be s. The s ze of the manuf cturer's pr mary be be determined by the manuf cturer. The ore n Government permit ff x t on fter mport t on of ny be s nc ud ng supp ement be s such s t x b r (ch s requ red to be spec f ed n the ore n ngu ge f product s for s e through supermarkets nd ch nstores), n educ tor be , or the n me of the mporter. Fore gn ne manuf cturers may ff x educ tor be s descr b ng tems such s the nery produc ng the bever ge, the type of gr pes used, foods th t the ne comp ements, nd ppropr te temper ture for serv ng.

23. The ore n Government exped t ous y test ne nd ne products en the product s f rst mported. Once ne or- ne product produced by p rt cu r fore gn ne manuf cturer h s met test ng requ rements no further tests be requ red on th s product s cond t on for mport t on.

24. The ore n Government grees to consu t th the U.S. Government t the request of the U.S. Government on ny matter re t ng to the mport t on, d str but on or s e of mported ne nd ne products.

Th s ref ects our mutu underst nd ng of the me sures th t the ore n Government h s greed to t ke th respect to the prov s on of f r nd equ t b e ccess for ne nd ne products to the ore n market.

Enc osures:

Annex I

Annex II

Annex III

S ncere y,

Tong-J n P rk

In ght of the forego ng me sures th t the ore n Government h s greed to t ke, the U.S. Government grees to termin te by (d te) 1989, the nvest g t on n t ted n June 1988 nd conducted under sect on 301 of the Tr de Act of 1973, s mended, concern ng the ore n Government's po c es nd pr ct ces th respect to market ccess for ne nd ne products.

I m p e sed to conf rm th t th s exch nge of etters s mutu underst nd ng bet en our t Governments concern ng the me sures th t the ore n Government h s greed to t ke th respect to prov d ng f r nd equ t b e market ccess to the ore n market for mported ne nd ne products. e o

The U.S. Government reserves the r ght to r se n the future the ssue of the b ty of U.S. persons nc ud ng U.S. ne manuf cturers to nvest n the o es ng nd d str but on of ne nd ne products n ore . K

h

Sincerely

l y n Yeu er

TANC offers these agreements e ectronica y as a pub ic service for genera reference. Every effort has been made to ensure that the text presented is comp ete and accurate. However, copies needed for ega purposes shou d be obtained from officia archives maintained by the appropriate agency.

l