

No. 7977

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**AUSTRALIA**  
and  
**REPUBLIC OF KOREA**

**Trade Agreement (with schedules and agreed minutes).**  
**Signed at Seoul, on 21 September 1965**

*Official texts: English and Korean.*

*Registered by Australia on 17 November 1965.*

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**AUSTRALIE**  
et  
**RÉPUBLIQUE DE CORÉE**

**Accord commercial (avec listes et procès-verbal d'accord).**  
**Signé à Séoul, le 21 septembre 1965**

*Textes officiels anglais et coréen.*

*Enregistré par l'Australie le 17 novembre 1965.*

No. 7977. TRADE AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA AND THE GOVERNMENT OF THE REPUBLIC OF KOREA. SIGNED AT SEOUL, ON 21 SEPTEMBER 1965

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The Government of the Commonwealth of Australia and the Government of the Republic of Korea,

Desiring to facilitate and extend the trade relations between their two countries,

Have agreed as follows :

*Article I*

With respect to—

- (a) customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports,
- (b) the method of levying such duties and charges,
- (c) all rules and formalities in connection with importation and exportation,
- (d) the application of internal taxes to exported products,
- (e) all internal taxes and other internal charges of any kind imposed on or in connection with imported products, and
- (f) all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported products,

any advantage, favour, privilege or immunity which has been or may hereafter be granted by the Government of either country to any product originating in or destined for any third country shall be accorded immediately and unconditionally to the like product originating in or destined for the other country.

*Article II*

1. With respect to prohibitions or restrictions, whether made effective through quotas, import or export licences or other measures, instituted or maintained by the

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<sup>1</sup> Came into force on 21 September 1965, the date of signature, in accordance with article XI (1).

Government of either country on the importation of any product of the other country or on the exportation or sale for export of any product destined for the other country—

- (a) no such prohibition shall be applied unless a like prohibition is applied to the importation of such product from, or the exportation or sale for export of such product to, all third countries ;
- (b) such restrictions shall be formulated and administered in such a way as to accord to the importation of products originating in, or the exportation or sale for export of products destined for, the other country, treatment no less favourable than that accorded to the importation of like products originating in, or exportation or sale for export of like products destined for, any third country.

2. In the allocation of foreign exchange for transactions involving the importation or exportation of goods, and in the administration of foreign exchange restrictions in relation to such transactions, the Government of each country shall accord to the importation of any product originating in, or the exportation or sale for export of any product destined for, the other country treatment no less favourable than it accords to the importation of such product from, or exportation or sale for export to, any third country.

### *Article III*

1. The provisions of Articles I and II of this Agreement shall not apply to—
- (a) tariff preferences or other advantages accorded by the Government of the Republic of Korea in respect of imports under the military and economic aid programmes of any foreign government, corporation or association or of the United Nations and the specialised agencies brought into relationship with the United Nations in accordance with the provisions of the Charter of the United Nations ;
  - (b) tariff preferences or other advantages accorded by the Commonwealth of Australia to :
    - (i) any of the external territories which it administers,
    - (ii) any country at present a member of the Commonwealth of Nations including any territories for the international relations of which the Government of any such member is responsible,
    - (iii) Ireland ;
  - (c) tariff preferences or other advantages accorded by either government to any third country, which are not inconsistent with the General Agreement on Tariffs

and Trade,<sup>1</sup> or which conform to any international agreement concluded under the auspices of the United Nations, including preferences and advantages resulting from the association of either Government in a customs union or free trade area ;

- (d) such measures as either Government may consider necessary to safeguard its external financial position and balance of payments ;
- (e) such measures as either Government may take to carry out its obligations under any multilateral commodity agreement which is open to participation by both Governments.

2. The exchange of goods and commodities between the two countries shall be subject to and effected within the scope of the import and export regulations in force from time to time in each country during the currency of this Agreement. In particular, nothing in this Agreement shall be construed so as to prevent the adoption or enforcement of measures necessary to protect human, animal or plant life, or health.

#### *Article IV*

1. The two Governments shall take all appropriate measures to facilitate trade between their countries, in particular with regard to the goods and commodities mentioned in Schedule A<sup>2</sup> in respect of exports from the Commonwealth of Australia, and in Schedule B<sup>2</sup> in respect of exports from the Republic of Korea.

2. The provisions of paragraph I of this Article shall not be construed to mean that the desire of the two Governments to increase trade is limited to the goods and commodities specifically listed in Schedules A and B.

#### *Article V*

1. (a) Each Government undertakes that if it establishes or maintains a State enterprise, wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprise shall, in its purchases or sales involving imports or exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in this Agreement for governmental measures affecting imports or exports by private traders.

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<sup>1</sup> United Nations, *Treaty Series*, Vol. 55, p. 187 ; for subsequent actions relating to this agreement, see references in Cumulative Indexes Nos. 1 to 4, as well as Annex A in volumes 402, 405, 411, 419, 421, 424, 425, 429, 431, 435, 438, 440, 441, 442, 444, 445, 449, 451, 452, 456, 460, 462, 463, 468, 471, 474, 475, 476, 478, 483, 489, 496, 501, 525 and 543.

<sup>2</sup> See p. 188 of this volume.

(b) The provisions of sub-paragraph (a) of this paragraph shall be understood to require that such enterprises shall, having due regard to the other provisions of this Agreement, make any such purchases or sales solely in accordance with commercial considerations including price, quality, availability, marketability, transportation and other conditions of purchase or sale, and shall afford the enterprises of the other country adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases or sales.

(c) Neither Government shall prevent any enterprise under its jurisdiction from acting in accordance with the principles of sub-paragraphs (a) and (b) of this paragraph.

2. The provisions of paragraph 1 of this Article shall not apply to imports of products for immediate or ultimate consumption in governmental use and not otherwise for resale or use in the production of goods for sale. With respect to such imports, the Government of each country shall accord to the trade of the other country fair and equitable treatment.

3. Each Government recognises that enterprises of the kind described in sub-paragraph (a) of paragraph 1 of this Article might be operated so as to create serious obstacles to trade between the two countries; the two Governments shall therefore within thirty (30) days of the receipt by either Government of a request to that effect from the other Government, enter into negotiations directed to the limitation or reduction of such obstacles.

#### *Article VI*

If the Government of either country imposes consular charges in respect of trade between the two countries any such charge shall be limited to the approximate cost of services rendered and shall be a flat charge and not a percentage of the value of the goods.

#### *Article VII*

In order to facilitate the implementation of this Agreement, the two Governments shall consult together, upon the request of either, to discuss any matters arising from the Agreement or otherwise relating to trade between their countries.

#### *Article VIII*

Recognising the urgent need to produce a greater degree of stability and predictability in international trade in primary products, and with a view to removing the obstacles and uncertainties that at present exist to the prejudice of the external payments position of their countries, the two Governments undertake to support

the principle of international action designed to improve the conditions of international trade in primary products of direct interest to either country, and agree to consult on such matters at the request of either Government.

*Article IX*

The provisions of this Agreement shall not be construed so as to derogate from the rights and obligations that either Government has or may have as a Contracting Party to the General Agreement on Tariffs and Trade or to any multilateral agreement amending or supplementing it.

*Article X*

This Agreement applies in the case of the Commonwealth of Australia to the metropolitan territory of Australia but not to any of the external territories administered by the Government of the Commonwealth of Australia.

*Article XI*

1. This agreement shall come into force on the date of signature and shall remain valid for a period of one (1) year from such date and thereafter for successive periods of one year unless :

- (a) the two Governments otherwise agree, or
- (b) one Government gives to the other notice in writing of its desire to terminate the Agreement, in which event the Agreement shall be terminated ninety (90) days after the date on which the notice is given.

2. This agreement may be revised by mutual consent. Any revision or termination of this Agreement shall be without prejudice to any right or obligation accruing or incurred under the Agreement prior to the effective date of such revision or termination.

3. IN WITNESS WHEREOF the undersigned, duly authorised by their respective governments, have signed the present agreement.

DONE at Seoul on this twenty-first day of September 1965 in two originals, one each in the English and Korean languages, both texts being equally authentic.

For the Government  
of the Commonwealth of Australia :

R. A. PEACHEY

For the Government  
of the Republic of Korea :

D. W. LEE

## SCHEDULE A

Raw wool.	Casein.
Wool tops.	Malt.
Raw sugar.	Wool waste.
Wheat.	Wool grease.
Barley.	Gypsum.
Powdered Milk.	Oats.
Coal.	Rice.
Aluminium.	Cotton.
Lead.	Hardwood timber.
Zinc.	Unwrought copper.
Pig iron and finished steel mill products.	

## SCHEDULE B

Fish products and preparations.	Ceramic and other glass products.
Kolinsky and fur skin.	Iron, iron sheet plates and iron sheet (coated and galvanised).
Raw silk.	Iron pipe.
Molybdenite.	Steel wire and rope.
Base metal ores and concentrates.	Non-ferrous metals.
Bristles.	Sewing machines.
Saccharine.	Radios.
Peppermint oils.	Electric fans.
Menthol and menthol ball.	Flashlights.
Grass cloth and wall paper.	Batteries.
Cotton yarns and fabrics.	Bicycles.
Silk fabrics.	Artificial flowers.
Woollen yarns and fabrics.	Rubber tyres and tubes.
Netting for fishing.	Plywood and plywood products.
Other textile yarn and fabrics.	
Sheet glass.	

## AGREED MINUTES

1. The Australian delegation explained the Australian Government's constitutional position in relation to State Governments and noted that, for this reason, the Australian Government was not in a position to guarantee in all circumstances most favoured nation treatment in respect of the internal sale or distribution of imported goods that are subject to State legislation. The Australian delegation emphasised, however, that no problem had ever arisen in this context on account of the constitutional position but wished to be sure that the Korean delegation understood this limitation to the Australian Government's power. Moreover, the Australian delegation explained that the Government of Australia shall take all reasonable

measures to reconcile any conflict between the provisions of the Agreement and the practice of the States.

2. In relation to Article II, both delegations accepted the principle that, in general, it is desirable that quantitative import restrictions should only be used to the extent necessary to safeguard a country's external financial position and balance of payments. The Australian delegation explained that its own position in relation to quantitative restrictions was governed by its acceptance of the General Agreement on Tariffs and Trade.<sup>1</sup>

3. During discussion on Article III. 1 (d) covering the circumstances under which the two countries may depart from most favoured nation principles for foreign exchange reasons, both delegations considered that such departures should be regulated by some recognised international codes of behaviour. It was agreed that Article III. 1 (d) is intended to cover those cases where a party imposes measures, consistent with its other international obligations, designed to safeguard its external financial position and balance of payments, for example, in those limited cases permitted under the Articles of Agreement of the International Monetary Fund.<sup>2</sup>

4. It was agreed that paragraphs 1 (c) and 1 (e) of Article III of the Agreement are intended to provide the flexibility necessary to enable either party to the Agreement to participate in :

International commodity agreements or arrangements

Customs unions and free trade areas

International arrangements which may be agreed in regard to preferential treatment for the exports of less developed countries.

which might require action by either party which would be contrary to Articles I and II.

5. Such agreements and arrangements would be covered by paragraph 1 (c) of Article III if they are not inconsistent with the provisions of the General Agreement on Tariffs and Trade or are concluded under the auspices of the United Nations.

6. Paragraph 1 (e) is intended to cover the case of a commodity arrangement which was not concluded under U.N. auspices or which, although not necessarily inconsistent with the G.A.T.T. had not in fact been submitted to the relevant G.A.T.T. procedures.

For the Government  
of the Commonwealth of Australia :  
(Initialled) R. A. P.

For the Government  
of the Republic of Korea :  
(Signed) D. W. LEE

<sup>1</sup> See note 1, p. 182 of this volume.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 2, p. 40 ; Vol. 19, p. 280 ; Vol. 141, p. 355 ; Vol. 199, p. 308 ; Vol. 260, p. 432 ; Vol. 287, p. 260 ; Vol. 303, p. 284 ; Vol. 316, p. 269 ; Vol. 406, p. 282 ; Vol. 426, p. 334 ; Vol. 458, p. 268 ; Vol. 544 and Vol. 547.