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## 35<sup>th</sup> U.S.-Korea Joint Plenary Joint Statement

Washington, DC  
December 10, 2024

On December 10, the leaders of the U.S.-Korea Business Council and the Korea-U.S. Business Council (the Councils) convened the 35<sup>th</sup> USKBC-KUSBC Joint Plenary Meeting at the U.S. Chamber of Commerce's headquarters, which marked the first such meeting held in Washington, DC since the COVID-19 pandemic.

The Councils recognize that despite Korea's challenging circumstances, the business communities of both nations remain firmly committed to close collaboration and strong economic ties.

The 35<sup>th</sup> U.S.-Korea Plenary meeting follows two years of remarkable achievements in U.S.-Republic of Korea (ROK) relations. These achievements include commemorating the 70<sup>th</sup> anniversary of the bilateral security alliance with a U.S.-ROK Summit in April 2023, launching a new bilateral Critical and Emerging Technologies Dialogue, and achieving closer defense and economic security trilateral cooperation among Washington, Seoul, and Tokyo. At a time of heightened geopolitical uncertainty, the Councils believe that the U.S.-ROK alliance remains ironclad in its 71<sup>st</sup> year. We are encouraged that the ROK remains a top source of foreign direct investment in the United States, with Korean companies investing over \$78 billion and creating over 88,000 jobs this past year alone, and that the U.S. is one of Korea's largest investors, proving that the economic partnership is more robust than ever before. Building on these robust economic ties, the Councils agreed to launch a joint working group in 2025 to further their policy agendas and achieve shared goals across various advanced sectors of the economy.

This year's meeting assembled senior business leaders from the United States and the Republic of Korea, who shared views on the key issues facing the bilateral economic and commercial partnership at a time of leadership transition in Washington. In addition, the Councils discussed the importance of U.S.-Korea technology cooperation in key strategic areas, including semiconductors, digital trade and connectivity, cybersecurity, artificial intelligence, biotech, and clean energy. The discussions highlighted the commercial partnerships and opportunities that have enabled progress in these areas and identified areas of interest that need further coordination and alignment.

To this end, the Councils reaffirmed their commitment to collaborate with the two governments to implement the following recommendations:

1. Reinforce the U.S.-Korea economic partnership by promoting the rules-based global trading system and the continued reduction of trade and investment barriers between the two economies per commitments under the KORUS FTA.
  2. Bolster supply chain resilience in critical sectors with like-minded partners to strengthen U.S.-Korea economic security.
  3. Strengthen regulatory cooperation in the digital economy and partnership in critical and emerging technologies by forging a robust U.S.-ROK technology alliance.
  4. Improve health outcomes by developing an ecosystem for growth and innovation in the pharmaceutical and biotech/medtech industries.
  5. Strengthen U.S.-Korea energy security and promote the transition toward a low carbon economy.
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**1. Reinforce the U.S.-Korea economic partnership by promoting the rules-based global trading system and the continued reduction of trade and investment barriers between the two economies per commitments under the KORUS FTA.**

The United States and Korea are leaders in promoting economic growth and integration in the Indo-Pacific region. As such, the Councils encourage the two governments to continue working collaboratively in multilateral fora such as APEC, the OECD, and the WTO on a full range of issues, including those related to data flows, cybersecurity, intellectual property, and supply chains. Korea's chairmanship of APEC 2025, the Minerals Security Partnership, and the Crisis Response Network under the Indo-Pacific Economic Framework for Prosperity (IPEF) present key opportunities as Korea embraces greater international responsibilities as a global leader. The Councils stand ready to work with the Korean government to ensure success in all these initiatives.

The Councils recognize that the U.S.-Korea Free Trade Agreement (KORUS FTA) has played a pivotal role in increasing trade and investment between both countries and serving as a backbone of robust U.S.-Korea commercial partnerships across a variety of sectors. The Councils encourage both governments to reaffirm their commitment to the KORUS FTA as a foundation for further enhancing bilateral economic cooperation.

In tandem with these efforts, both countries should continue to remove bilateral trade irritants, including discriminatory legislation focused on the technology industry, and foster a stable and predictable business and regulatory environment, so that the U.S.-Korea trade and investment relationship remains strong and resilient in the coming years. While the KORUS FTA has been critical to deepening bilateral economic ties, there remain unresolved barriers in various sectors including digital trade, steel trade, pharmaceuticals and medical technologies, government procurement of cloud services, vehicle homologation, cybersecurity, and foreign investments. The Councils encourage both governments to continue to address these outstanding issues, in part to ensure that efforts do not directly disadvantage U.S. and Korean firms at the expense of their competitors.

- Continue engaging on trade-restrictive measures that run contrary to commitments under the KORUS FTA and WTO Agreements, including on government procurement;
- Address key factors that hinder innovation and investment, such as burdensome administrative procedures, rigid labor rules, and duplicative rules and regulations, the U.S. or Korea unique technical regulations;
- Create a business environment that recognizes the risks and rewards of investment in innovative industries, such as the semiconductor, automotive, transportation, EV batteries, and biopharmaceutical industries, and sustains innovation and growth of the digital economy, including by adhering to good regulatory practices and nondiscriminatory policies, in accordance with the KORUS FTA;
- Reinforce commitments to strong IP protections, particularly in emerging sectors like AI and software development;
- Ensure mutually beneficial, stable, and predictable environments for corporate investments in their respective economies, especially by safeguarding continuity in production, employment, and technological innovation in the U.S. and Korea, while avoiding regulatory changes that undermine the commitment to protecting investors and their investments; and
- Ensure regular public-private dialogue and sufficient time for industry to provide comments on business-related policies during the planning, formulation, and implementation phases of policies.



## **2. Bolster supply chain resilience in critical sectors with like-minded partners to strengthen U.S.-Korea economic security.**

Supply chain security and resilience are vital to both the economic and national security of the U.S. and Korea. Both countries have demonstrated their commitment to deepening cooperation on advanced industry supply chains, as evidenced by robust, high-level cooperation under the United States-Korea Supply Chain and Commercial Dialogue (SCCD). As the two allies seek to strengthen resilience and minimize supply chain disruptions bilaterally and multilaterally with like-minded countries, we urge both governments to renew their commitment to working with the private sector to ensure that policy recommendations reject punitive approaches, new trade barriers, and one-size-fits-all solutions.

Transparency, continuity, and coordination among key economies in the Indo-Pacific region would help ensure that supply networks remain reliable amid a shifting landscape of control and incentive policies, particularly as it relates to highly important sectors and industries including critical minerals, semiconductors, pharmaceutical, medical technologies, automotive, transportation, batteries, solar panels, energy, and defense. Key objectives of any policy should be to diversify production capabilities across legacy, intermediary, and leading-edge nodes while avoiding supply disruptions. We urge regular dialogues with industry to ensure policies aimed to incentivize domestic production, R&D, and stimulate local industries do not result in unintended consequences.

- Strengthen collaboration bilaterally and multilaterally with like-minded partners and the private sector to bolster the supply chain resilience and market diversity of key industries, including but not limited to semiconductor manufacturing, automotive, transportation, batteries, critical minerals, pharmaceuticals, medical technologies and defense and commercial aerospace;
- Support and incentivize businesses' efforts to diversify and make new investments to enhance our collective supply chain resilience and avoid creating barriers to international trade and investment;
- Facilitate and protect investments to establish and enhance a mutually beneficial supply chain ecosystem for critical technologies, including in the semiconductor, automotive, transportation, batteries, and other strategic sectors;
- Foster investment and supply chain cooperation in key promising sectors of bilateral collaboration, such as the nuclear energy industry, including small modular reactors (SMRs), and shipbuilding;
- Establish plurilateral supply chain networks with likeminded partners to prevent possible supply chain disruptions and provide remedial solutions in times of disruptions;
- Promote investments for resilient bilateral supply chains by improving systems such as specialty occupation visas to facilitate workforce exchange between the two countries; and
- Establish working groups to facilitate public-private collaboration through a concrete agenda identified in consultation with the private sector.

## **3. Strengthen regulatory cooperation in the digital economy and partnership in critical and emerging technologies by forging a robust U.S.-ROK technology alliance.**

The U.S. and Korea are global leaders in advancing technological innovation, and digitally tradeable goods and services are a key area of U.S. and Korean competitive advantage and export growth. As a key pillar of a strong economic partnership, the Councils strongly support strengthening bilateral regulatory cooperation and addressing discriminatory barriers that hinder digital trade.



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The digital economy represents a critical driver of economic growth, innovation and employment opportunities, and every industry relies on cross-border data flows to succeed. However, we are concerned about a rise in digital protectionism and regulatory barriers that endanger the development of the digital economy, deny market access, and result in discriminatory treatment of companies. The U.S. and Korea must work together to counteract these harmful policies by committing to nondiscriminatory policies and resolving barriers that undermine bilateral cooperation. To this end, the Councils urge the U.S. and Korean governments to explore the possibility of negotiating a digital trade agreement that addresses the priorities and concerns of both countries.

The U.S. must take steps to restore its leadership position on digital trade and work closely with Korea and other partners to reinforce strong digital trade rules that facilitate international data flows, protect intellectual property, and promote nondiscriminatory treatment of businesses. To this end, the Councils welcomed the launch of the U.S.-ROK Next Generation Critical and Emerging Technologies (CET) Dialogue as part of both governments' efforts to strengthen cooperation across a broad range of critical and emerging technologies, including semiconductors, automotive, transportation, batteries and clean energy technology, AI, quantum, biotechnology, and digital connectivity. This new dialogue, which celebrates its first anniversary this month, could serve as a valuable mechanism to enable coordination across multiple agencies and ministries to ensure bilateral alignment on digital, technology, and regulatory issues, based on the following principles:

- Commit to upholding high-standard digital trade rules, including on the free and trusted flows of data across borders, the promotion and enforcement of good regulatory practices, particularly by ensuring that procedural and regulatory due process is adhered to, and ensure nondiscriminatory treatment of digital products and services, including the government procurement of cloud services;
- Explore the possibility of negotiating a digital trade agreement that addresses the priorities and concerns of both countries;
- Ensure that regulatory proposals for the digital economy are consistent across companies and industries, do not hamper innovation, do not disadvantage firms based on nationality, and do not compromise cybersecurity, privacy, or the confidence and convenience consumers expect from devices and services;
- Expand the focus on artificial intelligence and cloud computing as enablers of innovation across industries, and support bilateral collaboration on AI governance frameworks that align with global standards (e.g., OECD AI Principles) to ensure interoperability and trust in AI systems deployed across borders;
- Deepen the government-industry discussions regarding data governance by creating a Track 1.5 working group to better understand the needs of a data-driven economy; and
- Strengthen cooperation for promoting trustworthy 5G vendors and ICT services such as cloud computing and network infrastructure, and support a competitive, open, and non-discriminatory market.

#### **4. Improve health outcomes by developing an ecosystem for growth and innovation in the pharmaceutical and biotech/medtech industries.**

As Korea and the United States face demographic challenges, such as an aging population and population decline, public demand for healthcare and financial support will continue to increase. The Councils believe that the two governments should look to partner with the private sector to determine recommendations and solutions to meet this growing demand. This could be achieved through enhanced public-private dialogues and the pursuit of policies that increase patient access to care and improve health outcomes. Additionally, we encourage continued cooperation in the innovative biotech/medtech industry and ask the two governments to promote an





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environment that promotes and incentivizes innovation and sustains timely access to existing high quality health products and services.

Bilateral dialogues such as the Healthcare and Healthcare Technologies Working Group under the U.S.-Korea SCCD and the CET Dialogue, which includes a biotech focus, could be key vehicles to drive greater U.S.-Korea health cooperation. To this end, we urge the U.S. and Korean governments to continue these dialogues next year, or to discuss new avenues for health cooperation with the incoming U.S. administration. We also strongly encourage participation of relevant U.S. and Korean government agencies, including Korea's Ministry of Health and Welfare and the U.S. Department of Health and Human Services, to ensure a successful dialogue aimed at achieving the following concrete outcomes and practical solutions to barriers to innovation:

- Implement KORUS FTA commitments and host discussions under the Medicines and Medical Devices Committee established under KORUS Article 5.7 on reforms to regulatory and reimbursement systems aimed to appropriately recognize the value of innovative technologies; improve transparency, predictability and due process; sustain a sound science regulatory approach; and overall, incentivize investment in innovation;
- Incorporate a regular Track 1.5 dialogue under bilateral U.S.-Korea dialogue mechanisms, such as the SCCD's Healthcare and Healthcare Technologies Working Group, to provide frequent opportunities for private sector engagement with the two governments to discuss policy issues and share best practices;
- Support transparent and predictable regulatory and IP protection policies regarding pharmaceutical and medical technology products that align with global standards and practices, including patent term extension policies which expand the scope of protection and provide avenues for appeals;
- Promote global harmonization and an open architecture for digital health data, share best practices related to data sharing with appropriate privacy protections, and strengthen policy frameworks for the utilization of personal health records to help improve patient access to efficient and effective care; and
- Strengthen the resilience of biopharmaceutical supply chains and prevent drug shortages, including by incentivizing U.S.-Korea bilateral collaboration in biomanufacturing and workforce development.

#### **5. Strengthen U.S.-Korea energy security and promote the transition toward a low carbon economy.**

Recognizing that climate change presents an important challenge requiring global action, the U.S. and Korea have undertaken ambitious decarbonization commitments. Businesses in both countries are making historic investments in the clean energy transition and are eager to work cooperatively with governments to build consensus on supporting policies necessary to advance climate goals. The Councils strongly encourage the U.S. and Korean governments to continue to prioritize emissions reductions and the clean energy transition as an important pillar of the bilateral economic partnership through fora such as the U.S.-ROK Energy Security Dialogue, Energy Policy Dialogue, and other bilateral mechanisms. The Councils welcome further public-private dialogues on decarbonization and accelerating the deployment of current and emerging energy technologies, including oil and gas, solar, wind, nuclear, batteries, hydrogen, carbon capture and storage (CCS), and renewable fuels.

The Councils note countries around the world are using subsidies, regulatory discrimination, or other forms of government intervention to favor their domestic industries. However, we believe the U.S. and Korea should instead pursue decarbonization based on fair and reciprocal market access and technological innovation, coupled with non-discriminatory treatment of trusted international partners. In addition, as both governments are committed to meeting their climate objectives through lower carbon energy sources, liquified natural gas (LNG)



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plays an increasingly important role in providing energy security, reducing emissions, and strengthening the bilateral alliance. The Councils encourage the two governments to collaborate and promote energy sources such as LNG and nuclear energy as a complement to renewables in addressing urban pollution and accelerating the path to a lower carbon economy.

Against this backdrop, the Councils are determined to work with the U.S. and Korean governments to facilitate investment in energy sources that are clean, reliable, affordable, and secure. These investments will provide the foundation for a stable global partnership that abides by the following principles:

- Set informed, realistic, achievable climate goals through an open, consultative process that produces economic growth and prosperity, energy security, and global competitiveness;
- Incorporate a regular Track 1.5 dialogue under the Energy Security Dialogue and Energy Policy Dialogue to provide frequent opportunities for private sector engagement with the two governments to discuss policy issues and share best practices;
- Whenever possible, use markets and public-private partnerships in place of direct subsidies or regulations, and advance policies consistent with free enterprise, free trade, and open competition between domestic and foreign investors; and
- Recognize the unique and important role of natural gas, along with nuclear and renewable energy, as primary drivers of emissions reductions and carbon neutrality over the long-term.

As investors, employers, and business leaders operating in both countries, the Councils welcome the opportunity to provide our comments. We believe that acting on these recommendations will drive innovation and growth in both the United States and Korea and allow for continued commercial collaboration between our economies.

The Councils agree to hold the 36th USKBC-KUSBC Joint Plenary Meeting in the Fall of 2025 in Seoul.