

- (e) safeguards measures; and
- (f) WTO disciplines and reduction and elimination of non-tariff barriers.

Article 2.2

Trade in Services

1. The Parties shall progressively liberalise trade in services among the Parties with substantial sectoral coverage in conformity with Article V of GATS.

2. For this purpose, the Parties shall enter into negotiations on the progressive liberalisation of trade in services. Such liberalisation shall be directed to:

- (a) provision for the absence or elimination of substantially all discrimination among the Parties only in the sectors covered under paragraph 1, through:

- (i) elimination of existing discriminatory measures;

and/or

- (ii) prohibition of new or more discriminatory measures with respect to trade in services among the Parties,

either at the entry into force of the agreement referred to in paragraph 3 or on the basis of an agreed time-frame, except for measures permitted under Articles XI, XII, XIV, XIVbis of GATS;

- (b) expansion in the depth and scope of liberalisation of trade in services beyond those undertaken by the Parties under GATS; and
- (c) enhanced cooperation in services among the Parties in order to improve efficiency and competitiveness, as well as to diversify the supply and distribution of services of the respective service suppliers of the Parties.

3. The Parties shall begin negotiations on an agreement on trade in services at the beginning of 2006 with a goal of concluding the negotiations not later than 31 December 2006.

Article 2.3

Investment

1. The Parties shall create a liberal, facilitative, transparent and competitive investment regime with business-friendly environment.
2. For this purpose, the Parties shall enter into negotiations on the liberalisation of investment regime. Such negotiations shall be directed to:
 - (a) progressive liberalisation of the investment regime;
 - (b) strengthening of cooperation in investment, facilitation of investment and improvement of transparency of investment rules and regulations; and
 - (c) provision of the protection under the investment regime.

3. The Parties shall begin negotiations on an agreement on investment at the beginning of 2006 with a goal of concluding the negotiations not later than 31 December 2006.

Article 2.4

Most-Favoured Nation Treatment

Korea shall accord to all the ASEAN Member Countries which are not WTO members the Most-Favoured Nation Treatment consistent with the WTO rules and disciplines upon the entry into force of this Framework Agreement.

CHAPTER 3

ECONOMIC COOPERATION

Article 3.1

Scope and Implementation of Cooperation

1. The Parties, on the basis of mutual benefits, shall explore and undertake cooperation projects in the following areas:

- (a) customs procedures;
- (b) trade and investment promotion;
- (c) small and medium enterprises;
- (d) human resource management and development;
- (e) tourism;