

CHAPTER SEVEN ECONOMIC AND TECHNICAL COOPERATION

Article 7.1: Basic Principles

1. Recognizing the importance of economic and technical cooperation in further strengthening trade, investments, and economic relations between the Parties and in support of the full utilization and implementation of this Agreement, the Parties shall undertake cooperation initiatives in areas of mutual interest and benefit in accordance with their domestic laws and regulations.
2. The Parties shall undertake cooperation between their respective governments, where necessary and appropriate, and shall endeavor to encourage and facilitate the participation of the private sector, academe, and other relevant organizations in the identification and implementation of cooperation initiatives.
3. Reaffirming the value of existing economic and technical cooperation mechanisms, other than those established under this Agreement, the Parties shall respect and encourage the continued implementation of their existing cooperation mechanisms.

Article 7.2: Scope of Cooperation

1. The Parties, on the basis of mutual benefit, shall explore and undertake cooperative activities focusing on the following areas:
 - (a) industrial development, including health and life sciences-related manufacturing and cooperation on processing of technology metals;
 - (b) innovation and research and development;
 - (c) micro, small and medium enterprises (MSMEs);
 - (d) creative and cultural industries, including cooperation on film;
 - (e) intellectual property;
 - (f) standards, technical regulations, and conformity assessment procedures;

- (g) sanitary and phytosanitary measures;
 - (h) e-commerce; and
 - (i) other areas as may be agreed by the Parties.
2. The areas of cooperation shall cover priority sectors for trade and investment promotion as agreed by the Parties.
3. The Parties shall also pursue cooperation as set out in Annex 7-A, Annex 7-B, and Annex 7-C.

Article 7.3: Forms of Cooperation

The forms of economic and technical cooperation may include, but are not limited to:

- (a) information exchange;
- (b) sharing of best practices;
- (c) training of human resources (HR);
- (d) exchange of experts;
- (e) trade and investment promotion;
- (f) business fora;
- (g) technical assistance;
- (h) joint research and development;
- (i) transfer of technology and new business models; and
- (j) other forms of cooperation as may be agreed by the Parties.

Article 7.4: Resources

1. The Parties shall cooperate to employ the most effective means and endeavor to make available necessary financial and other resources for the implementation of economic and technical cooperation under this Chapter in accordance with their respective laws and regulations.

2. Taking into account the different levels of development and capacity, the Parties shall contribute appropriately to the cost of implementation, according to mutual agreement.

Article 7.5: Committee on Economic and Technical Cooperation

1. For purposes of the effective implementation and operation of this Chapter, a Committee on Economic and Technical Cooperation (hereinafter referred to as the “Committee”) shall be established to be co-chaired by senior officials from both Parties.

2. The functions of the Committee include, but are not limited to:

- (a) reviewing, evaluating, and approving proposals for cooperation;
- (b) collecting and consolidating the work plans of cooperation developed by each of the committees formed within this Agreement;
- (c) agreeing on and developing areas of cooperation between the Parties and establishing a work plan for the development of cooperation;
- (d) monitoring and evaluating the progress of the implementation of cooperation projects and activities;
- (e) providing regular reports to the Joint Committee under Article 11.1 (Joint Committee) of this Agreement; and
- (f) carrying out other functions as may be agreed by the Parties.

3. The Parties agree to employ efficient mechanisms and guidelines for the implementation of cooperation projects and activities under this Agreement, subject to their respective laws and regulations.

4. The Parties recognize the role of the Joint Commission on Trade and Economic Cooperation (JCTEC) established under the *Memorandum of Understanding between the Ministry of Trade, Industry and Energy of the Republic of Korea and the Department of Trade and Industry of the Republic of the Philippines on Trade and Economic Cooperation* in facilitating consultations, and promoting trade, investment, and economic cooperation between the private and public sectors of the Parties.

5. Unless the Parties agree otherwise, the Committee shall meet at least once a year. The meeting may be conducted in person or by any technological means available to the Parties.

6. The Parties agree on an Implementing Arrangement building upon and complementing existing bilateral and regional economic cooperation projects, initiatives, and activities.

7. The Committee may establish sub-committees, as may be necessary, to effectively implement the cooperation projects and activities under this Chapter and those in the Implementing Arrangement.

Article 7.6: Non-Application of Dispute Settlement

Dispute settlement mechanisms in this Agreement shall not apply to any matter arising under this Chapter.

Annex 7-A
**Cooperation to Alleviate the Socioeconomic Impact of a Public Health
Emergency of International Concern and Pandemic¹**

General Provisions

1. The Parties recognize the right of each Party to institute measures necessary to secure national interests and safeguard public health, in accordance with GATT 1994, GATS, and other WTO covered agreements.
2. The Parties acknowledge that the Coronavirus disease 2019 (COVID-19) has presented a global challenge that requires a coordinated response to ensure the continued flow of goods, services, and personnel in the global supply chains.
3. The Parties recognize the potential for developing and undertaking appropriate activities in line with their development objectives to reinforce efforts to alleviate the socioeconomic impact of a Public Health Emergency of International Concern (PHEIC) and pandemic, including the COVID-19 pandemic.
4. The Parties agree to cooperate in strengthening the capacities to address future PHEIC and pandemics to facilitate an inclusive and sustainable economic recovery of both Parties, by working to ensure the flow of goods in global supply chains, facilitating the essential movement of people, and implementing cooperation activities and programs on trade and investments.

Working to Ensure the Flow of Goods in Global Supply Chains

5. The Parties acknowledge the importance of facilitating the flow of essential goods, particularly food, critical health and medical products including personal protection equipment and its raw materials, to the extent possible, in accordance with the Trade Facilitation Agreement and domestic laws and regulations.
6. The Parties shall endeavor to refrain from the introduction of export prohibitions or restrictions, and non-tariff barriers on essential goods, including food, pharmaceuticals, critical medical supplies, and its raw materials ensuring that such measures are targeted, proportionate, transparent, temporary and consistent with WTO rules.

¹ “**Pandemic**” means a disease which the World Health Organization (WHO) declares as a pandemic, such as the COVID-19 on 11 March 2020.

Facilitating the Essential Movement of People

7. The Parties acknowledge the importance of facilitating the essential movement of people, including cross-border business travel, while ensuring to safeguard public health in line with their efforts to combat a PHEIC and pandemic as well as minimize its socioeconomic impacts.

8. The Parties also acknowledge the benefit of establishing guidelines to provide support and assistance to each other and to facilitate movement of people, including essential cross-border travel for the purpose of minimizing supply chain disruptions and ensuring business continuity, in accordance with domestic laws and regulations, and without undermining the efforts to prevent the spread of the virus.

9. The Parties shall endeavor to enhance cooperation to provide appropriate and adequate assistance to nationals of each other, especially the most vulnerable, who stay, work, and study in the other country, working towards the dignity, health and well-being, safety and fair and effective treatment of those affected by the pandemic.

Minimizing the Negative Impacts on Trade and Investment arising from PHEIC and Pandemics to Facilitate an Inclusive and Sustainable Economic Recovery

10. The Parties may develop and implement cooperation activities and programs on trade and investments and share best practices on measures to facilitate an inclusive and sustainable economic recovery and minimize the negative impacts of PHEIC and pandemics, as mutually agreed by the Parties.

11. The Parties shall endeavor to implement joint initiatives with the private sector for the socioeconomic recovery of both Parties that include strengthening efforts to stabilize the manufacturing and supply of essential goods and services, including its raw materials, such as vital medical supplies and critical agricultural and food products, facilitate digital transformation, and improve access to finance.

12. The Parties shall endeavor to make relevant information publicly available and share best practices in a timely manner when adopting a measure with a foreseeable impact on international trade and investment.

Annex 7-B Cooperation on Vaccine

General Provisions

1. The Parties, recognizing the impact that a pandemic such as COVID-19 has caused around the world, agree to cooperate in the area of vaccines to end the pandemic and address future global health threats.

2. The Parties also commit to work together, along with international institutions including the COVAX facility, to expand vaccine production and related supplies and manufacturing innovations to address current and future global health threats.

Cooperative Activities

3. The Parties will promote the collaboration between the enterprises of the Parties to accelerate the production and global supply of vaccines in times of global vaccine shortages by combining each of their strengths in the following areas:
 - (a) manufacture of vaccines;
 - (b) supply of raw materials for vaccine production;
 - (c) research and development for the joint development of vaccines;
 - (d) capacity building and knowledge and technology transfer related to the development of vaccines; and
 - (e) other forms of cooperation, as may be agreed by the Parties.

4. The Parties will exchange information on domestic regulations, practices, and application process with regard to clinical trials and full approval of vaccines.

5. The Parties will endeavor to adopt expedited customs procedure for vaccine and raw material to produce vaccine while maintaining appropriate customs control.

Annex 7-C Cooperation on Climate Change

General Provisions

1. The Parties recognize that climate change and its adverse effects are a common concern of humankind that require urgent and collective action.
2. The Parties reaffirm that the *United Nations Framework Convention on Climate Change* (hereinafter referred to as “UNFCCC”) lays the firm foundation for international efforts to combat climate change, and acknowledge that the *Kyoto Protocol to the United Nations Framework Convention on Climate Change* and the *Paris Agreement* have been instrumental in implementing the UNFCCC.

Cooperative Activities

3. The Parties agree to develop and strengthen cooperation in enhancing capacities to adapt to and mitigate climate change in line with the implementation of their respective nationally determined contributions (NDCs).
4. In coordination with competent authorities, the Parties agree to promote public and private adaptation and mitigation programs or projects to achieve their NDC targets and to find means to use the internationally transferred mitigation outcomes (ITMOs) to support climate mitigation investments and mutually explore the benefits of market and non-market mechanisms under Article 6 of the *Paris Agreement*.
5. The Parties agree to cooperate on capacity building activities for the measurement, reporting and verification (MRV) of national inventories.
6. The Parties agree to organize seminars, symposia, workshops, and meetings on various topics of interest to both Parties to gain a deeper understanding of and exchange best practices and technological know-how on climate action.