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TRADE AGREEMENT BETWEEN CANADA AND THE REPUBLIC OF KOREA

The Government of Canada and the Government of the Republic of Korea, desiring to strengthen and develop trade relations between the two countries, have agreed as follows:

ARTICLE I

1. Each Contracting Party shall accord to the other Contracting Party unconditional most-favoured-nation treatment in all matters respecting: 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; the method of levying such duties and charges; the rules and formalities connected with importation or exportation; all internal taxes or other internal charges of any kind; all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods within its territory.

2. Any advantage, favour, privilege or immunity which has been or may hereafter be granted by either Contracting Party in regard to the matters referred to in paragraph 1 of this Article to any product originating in any third country or consigned to the territory of any third country shall be accorded immediately and without compensation to the like product originating in or consigned to the territory of the other Contracting Party, respectively, and irrespective of the nationality of the carrier.

3. The provisions of this Article relating to most-favoured-nation treatment are not applicable to exclusive advantages accorded by Canada to countries and their dependent overseas territories entitled to the benefits of the British Preferential Tariff.

ARTICLE II

Each Contracting Party shall accord to the products of the other Contracting Party, which have been in transit through the territory of any third country receiving most-favoured-nation treatment from the importing country, treatment no less favourable than that which would have been accorded to such products had they been transported from their place of origin to their destination without going through the territory of such third country. Each Contracting Party shall, however, be free to maintain its requirements of direct consignment existing on the date of signature of the present Agreement in respect of any goods in regard to which such direct consignment has relation to that Contracting Party's prescribed method of valuation for duty purposes.

ARTICLE III

In all matters relating to the importation or exportation of any product from or to the territory of the other Contracting Party, to the allocation of foreign exchange, and to the administration of foreign exchange restrictions affecting transactions involving the importation and exportation of any product,