A revised trade agreement calling for a 20-year extension of tariffs on Korean pickup trucks that can be sold in the United States will have a limited impact on the local auto industry, according to Seoul’s trade ministry.

Seoul and Washington have signed their amended free trade agreement (FTA), which includes delays in the elimination of 25 percent duties on Korean-made trucks until 2041. The duties were set to be phased out from 2019 to 2021.

In a report submitted to parliament, the Ministry of Trade, Industry and Energy (MOTIE) said the extension of tariffs would barely affect the Korean manufacturers, which presently do not export pickup trucks to the U.S. market.

If local companies produce half of all pickup trucks in American factories and ship half of them from South Korea, only 2,960 vehicles can be exported annually from 2021 to 2040 due to high import duties. The stiff duties will not affect vehicles made in American factories, it noted.

By product, outbound shipments of semiconductors surged 39.1 percent, with exports of petrochemical goods more than tripling.

Exports to China, the United States, the European Union and Vietnam shot up by 100 percent, 408 percent, 555 percent and 85.3 percent on-year, respectively, the data showed.

“We have to continue to move toward renewable energy considering the economic situation, public demand and the creation of new growth drivers,” Sung said in a parliamentary audit of the government, calling the energy roadmap “feasible.”

The government has announced a plan to spend KRW 110 trillion (USD 96.1 billion) by the target year to expand its energy capacity from renewable sources to 48.7 gigawatts.

Sources: www.investkorea.org; Yonhap News Agency