



BRIDGING THE PACIFIC

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News From KOREA

Improvement Asked for Closer Ties U.S. Visa System & Problems for Koreans

As a part of U.S. security efforts against terrorists since the Sept. 11 terror attacks in 2001, the United States has tightened its visa application system.

Despite widespread understanding of the need for greater security, a growing number of Korean nationals, however, have been complaining about the visa issuance process by the U.S. Embassy, citing difficulties and high denial rates. Under this situation, the U.S. Embassy in Seoul has established a bulletin board dedicated exclusively to visa and consular issues in its first-ever online community, Cafe USA. The U.S. Embassy initiative is expected to provide momentum for dialogue toward a better understanding of each side's situation and rationale.

Moreover, the two governments are discussing measures to adopt a visa waiver agreement in the future to increase exchanges. In fact, Korean travel to the U.S. is way down, in spite of the greater opportunities for exchanges in various fields including business, culture, technology, etc.

There are two visa categories of particular concern to Korean enterprises: L visas and E visas.

L Visas (intra-company transferees)

L-1 visas are issued to employees who work at branch offices of Korean firms and L-2 visas to family members who accompany L-1 visa holders. Since the September 2001 terrorist attacks on the U.S., however, the workplaces of relevant foreigners have been severely restricted and rigid regulations are applied to those visa holders.

E-1/E-2 Visas (treaty trader/treaty investor)

E-1/E-2 visas enable Korean enterprises in the U.S. to employ Koreans in accordance with Korea-U.S. treaty of commerce and navigation. Recently, issue of E visas has been rejected if the foreign-invested equity in the domestic firm in Korea is more than 50%, classifying it as a multinational company.

Status and Recommendation

Present Situation

According to the recently implemented U.S.-Visit Program, the ability to apply for a re-issue of relevant visas in the U.S. has been suspended. In the past, renewal of L and E visas was possible through the U.S. Department of State in Washington D.C. around the time of their expiry. Since July, 2004, however, visa applicants must now

apply abroad for renewal or revalidation, causing inconvenience especially for businesspersons, who are usually pressed for time when making overseas travel arrangements as well as a processing period of 2~3 weeks. As a result, the more stringent

procedures regarding the issue and validity period of U.S. visas are creating various difficulties for Korean companies, including manpower assignment and business activities in the U.S.

As shown in the graph above, the number of Korean visitors to the U.S. has been decreasing recently. If such a declining trend continues, it may work to the disadvantage of the U.S. economy, including the U.S. tourism business community.

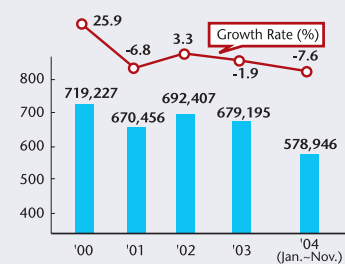
Alleviation of Extension Conditions Required

In the case of firms starting new businesses in the U.S. market, they usually enter the U.S. with L-1 visas and are qualified to stay for 1~2 years. But the U.S. immigration office requires presentation of income and employment-creation certificates as conditions for visa extension. However, in general a minimum of 2~3 years after commencement of business in the U.S. is required for a small or medium enterprise to realize sufficient income for tax payment and job creation for the first time. So, it is reasonable for the U.S. immigration office to provide an opportunity for visa extension under mitigated conditions, at least for the first renewal.

Recommendation

As mentioned above, Korean firms in the U.S. are experiencing various difficulties and business loss. Therefore, Korea hopes that it will be able to join a visa waiver program at the earliest possible date through Korea-U.S. visa working group meeting, etc. It also wishes to pursue ways of resolving the visa-related problems that are restricting the activities of Korean enterprises doing business in the United States.

Korean Visits to U.S.A



Source: KNTD