

# Pence pledges to look at trade deal with Korea

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US VICE president Mike Pence told business leaders in Seoul yesterday that the Trump administration will review and reform the five-year-old free trade agreement between the two countries.

Speaking in the morning, Pence said the US trade deficit has more than doubled in the five years since the US-South Korea free trade agreement began, and there are too many barriers for American businesses in the country.

Pence's meeting in Seoul with business leaders came before he headed to Tokyo later in the day, where he sat down with Japan's finance minister Taro Aso and kicked off talks that Washington hopes will open doors for American-made products.

President Donald Trump has vowed to narrow big trade deficits with nations like China and Japan, saying he would boost US manufacturing jobs.

"That's the hard truth," Pence told a business group meeting in Seoul. "We have to be honest about where our trade relationship is falling short", said Pence, adding the Trump administration would work with businesses on reforms.

Trump campaigned on a so-called America First pledge, promising to overhaul controversial trade



US vice president Mike Pence, right, is visiting Korea and Japan

deals that he said hurt US jobs.

Before the free trade agreement between the two countries took effect in 2012, South Korea's trade surplus against the US stood at \$11.6bn (£9.2bn) at end-2011. In 2016, the surplus measured at \$23.2bn, according to official data.

James Kim, chief executive of GM Korea, said there are opportunities to improve the free trade deal between Washington and Seoul.

"We need to minimise as many unique Korea standards which would make it easier to buy American products made in America," Kim said at the meeting with Pence.

Later in Japan, Pence reassured Japan of the American commitment to reining in North Korea's nuclear and missile ambitions, after warning that US strikes in Syria and Afghanistan showed the strength of its resolve.

"The era of strategic patience is over and while all options are on the table, President (Donald) Trump is determined to work closely with Japan, with South Korea, with all our allies in the region and with China to achieve a peaceable resolution and the denuclearisation of the Korean peninsula," Pence said in Tokyo before lunch with Prime Minister Shinzo Abe. *Reuters*

# United's brand turbulence leaves rivals in cruise control

LAST week, United Airlines ticked every box in the 'how not to react to a PR crisis' handbook, turning an already damaging incident into a disastrous one.

The video of a passenger being forcibly dragged from one of the company's plane was shared widely on social media, made headlines around the world and elicited widespread condemnation from communications professionals. United's corporate response only compounded the situation, as its CEO apologised for having to 're-accommodate the customers'.

YouGov brand tracking data points to the detrimental effect on consumer perception the event has had, particularly among American respondents.

In the past week, BrandIndex data from the US shows that United's buzz score (whether someone has heard anything positive or negative about a brand) has decreased from minus one to minus 34 since the video emerged, dropping it to its lowest level on record.

It's one thing to be in the news for negative reasons, but as we have often seen it's quite another thing for the story to really damage underlying brand perception. In this case, United has the worst of both worlds. Its impression score (whether someone has positive impression of the brand) has also

Stephan Shakespeare



collapsed, falling from 18 to minus eight since the video emerged.

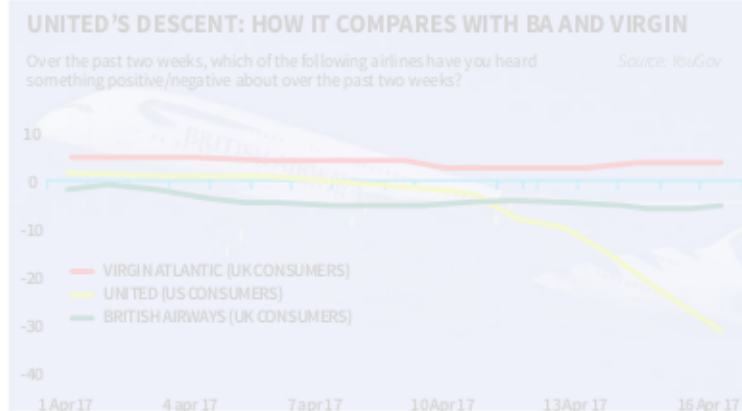
Similarly, its recommend score (whether someone would recommend the brand to a friend or family member or tell them to avoid it) has also collapsed from 14 on the day the video emerged to minus six now. Furthermore, its consideration score, which looks at whether someone would use the carrier next time

they are thinking of booking a flight, has fallen to its lowest recorded level.

However, the data indicates that the crisis is very much within United and has not affected UK-based transatlantic carriers. Virgin's and British Airways' buzz scores have remained stable in the past ten days and their recommend scores have actually risen slightly.

United has had poor consumer perception before and has rallied. With a softening of its CEO's public stance, it may do so again this time as well. However its tone deaf response to this crisis has made its fall greater and recovery harder.

Stephan Shakespeare is the chief executive of YouGov



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Patrick Birley is chief executive of NEX Exchange. Email: [BusinessDevelopment@nexexchange.com](mailto:BusinessDevelopment@nexexchange.com) or visit: [www.nexexchange.com/benefits](http://www.nexexchange.com/benefits).

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David Gorman, partner for investor relations at C4C

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