



Business View on the EU-South Korea Free Trade Agreement

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The EU-South Korea Free Trade Agreement
and The Bilateral Safeguard Clause

Why **BUSINESSEUROPE** supports the EU-South Korea Free Trade Agreement: (1)

- Overwhelming business support
 - **BUSINESSEUROPE** Members (National Federations)
 - European-level industry and service sector organisations
 - Recognise that this is not unanimous

Why BUSINESSEUROPE supports the EU-South Korea Free Trade Agreement: (2)

- The agreement does what business has been asking for:
 - Access to high growth Asian markets
 - Address tariffs and technical barriers to trade
 - Deliver real new access for services
 - Enhance intellectual property rights protection
 - Open procurement markets

Why BUSINESSEUROPE supports the EU-South Korea Free Trade Agreement: (3)

- The agreement is the start of a process
 - Other FTAs on the way with key partners
 - India
 - Canada
 - ASEAN countries
 - Ukraine
 - Mercosur
 - Still slow progress in the Doha Round

Improvements to the Safeguard/Duty Drawback Regulation (1)

- General principle: As strong as possible without going against the WTO or the text of the FTA
 - BUSINESSEUROPE supports the agreement
 - Europe must set a good example on trade defence or our exporter will suffer
- Main improvements
 - Industry initiation is vital for confidence in the process
 - Better definition of evidence at the initiation stage
 - Timelines should be shortened

Improvements to the Safeguard/Duty Drawback Regulation (2)

- Drawback
 - BUSINESSEUROPE supports detailing drawback in the regulation
 - Industry initiation of the process
 - Statistics routinely analysed should cover auto parts & textiles as well as Korea's trade with its major trading partners

Enforcement

- Regular consultation of industry
- Swift action where required on NTBS
 - Mediation Mechanism
 - Dispute settlement whenever needed

Conclusion:

- European companies have technical advantages required in Korea:
 - e.g. Medical Devices, Pharmaceuticals, Batteries, Services
- Europe will now have an advantage over major rivals – Japan and Korea
- Seize the opportunity!