



COUNCIL OF
THE EUROPEAN UNION



Brussels, 16 September 2010
ST 13670/10
PRESSE 242

Council approves agreement with South Korea on free trade

The Council today¹ adopted a decision giving the go-ahead for an agreement with South Korea on free trade to be signed and provisional applied.

The agreement, initialed on 15 October 2009, provides for the progressive liberalisation by both parties of trade in goods and services, as well as rules on trade-related issues such as competition and state aid, intellectual property and public procurement.

It is expected to be signed at the EU-South Korea summit in Brussels on 6 October.

The Council agreed that the date of provisional application will be 1 July 2011, and that notification will be sent to South Korea before that date, provided that the European Parliament has given its consent to the agreement and that a regulation implementing an EU-South Korea safeguard clause is in force.

South Korea the EU's eighth-largest trading partner and the EU is South Korea's second-largest partner for exports.

The agreement requires the two parties to eliminate 98.7% of duties in trade value for both industry and agriculture within five years, and to eliminate remaining tariffs almost fully over longer periods. In order to tackle non-tariff obstacles to trade, it includes specific provisions on electronics, motor vehicles and vehicle parts, pharmaceuticals, medical devices and chemicals. Trade remedies, technical barriers to trade and sanitary and phytosanitary measures, customs and trade facilitation are also covered.

The agreement incorporates protocols concerning rules of origin and administrative assistance on customs matters, as well as on cultural cooperation. Provisions on trade and sustainable development are also included, covering both social and environmental issues.

¹ The decision was taken at a meeting of the Foreign Affairs Council.

P R E S S

A trade committee will be established to oversee implementation of the agreement, and to consider ways to further enhance trade relations between the parties. A dispute settlement mechanism is also provided for. The trade committee will report to a joint committee established under an EU-Korea framework agreement, to which the free trade agreement is legally and institutionally linked.

A proposal for a decision on conclusion of the free trade agreement will be sent to the European Parliament for its consent.

The text will furthermore need to be ratified by the member states, given that they are also party to the agreement.

*

* *

The Council adopted the following conclusions:

"The Council adopted the Decision authorising the signature and provisional application of the Free Trade Agreement (FTA) between the European Union and its Member States and the Republic of Korea (hereinafter referred to as Korea) and to forward the agreement to the European Parliament for consent. In agreement with Korea, the signature of the FTA will take place on 6 October 2010.

The Council agreed that, pursuant to Article 3(2) of the Council Decision, the date of provisional application shall be 1 July 2011 and that the notification referred to in Article 3 of the Council Decision shall be sent to Korea before that date provided that the European Parliament has given its consent to the FTA and that the Regulation of the European Parliament and of the Council implementing the bilateral safeguard clause of the EU-Korea FTA is in force. The Council also agreed on the importance of an effective safeguard which provides protection in the case of sudden surges of imports in sensitive sectors, including small cars.

In this connection, the Council will also take into account the extension to the EU of any new benefits that Korea may accord to the US in the context of discussions on the Korea-US FTA, and the need to ensure that the Korea CO2 Regulation does not impose an unfair burden on EU exporters."