Basic information

2010/0075(NLE) NLE - Non-legislative enactments Decision	Procedure completed
EU/Korea Free Trade Agreement See also 2010/0032(COD) See also 2014/0019(NLE) See also 2020/0039(NLE) **Subject** 6.20.03 Bilateral economic and trade agreements and relations **Geographical area** South Korea	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	STURDY Robert (ECR)	17/03/2010
	Shadow rapporteur ZALEWSKI Paweł (PPE) LANGE Bernd (S&D) THEURER Michael (ALDE)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	CASPARY Daniel (PPE)	21/06/2010

Council of the European Union

Council configuration	Meetings	Date
Foreign Affairs	3031	2010-09-10

European Commission

Commission DG	Commissioner
Trade and Economic Security	DE GUCHT Karel

Key events

Date	Event	Reference	Summary
09/04/2010	Preparatory document	COM(2010)0137	Summary
20/08/2010	Legislative proposal published	08505/2010	Summary
10/09/2010	Debate in Council		Summary
19/10/2010	Committee referral announced in Parliament		
07/02/2011	Vote in committee		Summary
09/02/2011	Committee report tabled for plenary, 1st reading/single reading	A7-0034/2011	
16/02/2011	Debate in Parliament		
17/02/2011	Decision by Parliament	T7-0063/2011	Summary
17/02/2011	Results of vote in Parliament		
11/04/2011	Act adopted by Council after consultation of Parliament		
11/04/2011	End of procedure in Parliament		
25/11/2015	Final act published in Official Journal		

Technical information

Procedure reference	2010/0075(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legislative instrument	Decision
Amendments and repeals	See also 2010/0032(COD) See also 2014/0019(NLE) See also 2020/0039(NLE)
Legal basis	Treaty on the Functioning of the European Union TFEU 091 Treaty on the Functioning of the European Union TFEU 100-p2 Treaty on the Functioning of the European Union TFEU 167-p3 Treaty on the Functioning of the European Union TFEU 218-p6a Treaty on the Functioning of the European Union TFEU 207
Stage reached in procedure	Procedure completed
Committee dossier	INTA/7/02445

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE441.233	22/10/2010	
Committee opinion	ITRE	PE445.854	26/10/2010	
Committee report tabled for plenary, 1st reading/single reading		A7-0034/2011	09/02/2011	
Text adopted by Parliament, 1st reading/single reading		T7-0063/2011	17/02/2011	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	08505/2010	20/08/2010	Summary
Document attached to the procedure	08530/2010	20/08/2010	Summary

European Commission

Document type	Reference	Date	Summary
Preparatory document	COM(2010)0137	09/04/2010	Summary

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Decision 2015/2169
OJ L 307 25.11.2015, p. 0002 Summary

EU/Korea Free Trade Agreement

2010/0075(NLE) - 01/10/2015 - Final act

PURPOSE: to conclude the Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part.

NON-LEGISLATIVE ACT: Council Decision (EU) 2015/2169 on the conclusion of the Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part.

CONTENT: the Council approved, on behalf of the European Union, the **Free Trade Agreement between the European Union and its Member States, of the one part, and Korea**, of the other part.

To recall, on 23 April 2007 the Council authorised the Commission to negotiate a free trade agreement with Korea, on behalf of the European Union and its Member States. Those negotiations have been concluded and a Free Trade Agreement between the European Union and its Member States, of the one part, and Korea, of the other part, was initialled on 15 October 2009.

In accordance with Council Decision 2011/265/EU, **the Agreement was signed on behalf of the Union on 6 October 2010**, subject to its conclusion at a later date, and applied on a provisional basis.

The agreement aims to provide for the progressive and reciprocal liberalisation of trade in goods and services as well as rules on trade-related issues. The Agreement incorporates three dedicated Protocols concerning: (i) the definition of the origin of the products and on arrangements for cooperation between customs authorities; (ii) administrative assistance on customs matters; (iii) and on cultural cooperation.

The Commission should be authorised to bring about the **termination of the entitlement to co-productions** as provided for in Article 5 of the Protocol on Cultural Cooperation unless the Commission determines that the entitlement should be continued and this is approved by the Council pursuant to a specific procedure necessitated both by the sensitive nature of this element of the Agreement and by the fact that the Agreement is to be concluded by the Union and its Member States.

In addition, the Commission should be authorised to approve modifications to be adopted by the Working Group on **Geographical Indications** pursuant to Article 10.25 of the Agreement. Therefore, it is appropriate to set out the relevant procedures for the protection of Geographical Indications which are given protection pursuant to the Agreement.

ENTRY INTO FORCE: 01.10.2015.

EU/Korea Free Trade Agreement

2010/0075(NLE) - 17/02/2011 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 465 votes to 128, with 19 abstentions, a legislative resolution in which it gives its consent to the conclusion of the Free Trade Agreement between the European Union and its Member States, of the one part, and Korea, of the other part.

EU/Korea Free Trade Agreement

2010/0075(NLE) - 09/04/2010 - Preparatory document

PURPOSE: the conclusion of the free trade agreement between the European Union and its Member States, on the one hand, and South Korea, on the other.

PROPOSED ACT: Council Decision.

BACKGROUND: the EU-Korea Free Trade Agreement was adopted according to the objectives defined in the Commission's communication "Global Europe - Competing in the world", which describes how the EU's trade policy can contribute to achieving the European strategy for growth and employment. This underlined that the Doha programme for development remains the EU's main priority. The communication also stressed the importance for the EU of using the framework provided by the WTO as the best way of opening up markets to trade and investment. It proposed a series of trade policy initiatives to complement efforts to relaunch WTO negotiations. Among these, it proposed the negotiation of carefully selected and prioritised free trade agreements (FTAs). Following the adoption of negotiating guidelines by the Council, on 23 April 2007, negotiations with Korea began in Seoul on 6 May 2007. These were completed with the initialling of the FTA, in Brussels, on 15 October 2009, after less than two and a half years of discussions. Parliament was kept informed regularly on the progress of the discussions by its Committee on International Trade (INTA). On 13 December 2007, Parliament adopted a resolution on economic and trade relations with Korea, which served as an important contribution to the negotiations.

IMPACT ASSESSMENT: in preparation for the negotiations, the Commission undertook and impact assessment to examine the potential impact of an FTA with South Korea. A more detailed evaluation of the impact of trade on sustainable development, examining the potential effects of the agreement in the economic, social and environmental fields was carried out in parallel with the negotiations. Additional studies, to analyse the FTA from both a quantitative and quantitative point of view, were also undertaken.

LEGAL BASE: Articles 91, 100(2) and 207, in conjunction with Article 218(6) a) v) of the TFEU.

CONTENT: the proposal represents the legal instrument enabling the conclusion of the FTA between the European Union and its Member States, on the one hand, and South Korea, on the other.

The purpose of the agreement is to establish a progressive and reciprocal liberalisation of trade in goods and services and to define rules on matters relating to trade.

Commercial aspects: the EU-Korea FTA sets down the measures needed to establish a free trade area in accordance with the provisions of Article XXIV of the General Agreement on Tariffs and Trade (GATT 1994). The two parties agreed to implement very rapidly the commitments to liberalise and will eliminate 98.7% of customs duties, in trade value, both for the industrial sector and for agriculture in the coming five years. The remaining customs duties will be eliminated almost entirely over longer transitional periods, with the exception of a small number of agricultural products, such as rice or garlic.

Sectoral Annexes have been negotiated on electronics, motor vehicles and their parts, pharmaceuticals and medical devices, as well as chemicals with a view to the dismantling of non-tariff barriers.

The FTA included the following distinct chapters covering:

- trade measures,
- Technical Barriers to Trade
- sanitary and phytosanitary measures,
- customs procedures,
- trade facilitation,
- services,
- rules of establishment,
- Electronic Commerce (with schedules of undertakings in this matter which clearly go beyond the commitments made by each party under the General Agreement on Trade in Services (GATS) and that comply with Article V of the GATS)
- current payments,
- capital movements.

Competition and commercial compliance aspects: in terms of rules, the FTA defines ambitious commitments in the field of competition and, in particular:

- state aids,
- intellectual property (including the enforcement of these rules),
- public procurement.

More ambitious restrictive horizontal measures in regard to regulatory transparency in areas of importance for mutual trade and investment between the parties were also incorporated in the agreement.

Separate protocols: the FTA includes various protocols, including a protocol on **rules of origin** and one concerning **mutual administrative assistance in customs matters**, which include provisions defining the origin of products - a concept that is used to determine the duties applicable to traded products – governing the proof of origin and laying down the practical details of cooperation between the customs authorities.

It also includes a specific protocol on cooperation in the **cultural field**, which defines the terms of a strategic dialogue and cooperation to facilitate cultural exchanges.

It also provides an institutional framework for implementation independent of that provided in the FTA itself , with the creation a separate committee and a specific mechanism for dispute resolution.

Trade and sustainable development aspects: this section covers social and environmental aspects. It includes provisions on cooperation and establishes a novel monitoring mechanism involving civil society by means of a "**forum of civil society**".

Institutional aspects: institutional arrangements provide for the establishment of the Trade Committee, responsible for overseeing the implementation of the FTA and to examine how to further strengthen trade relations between the parties. An effective **dispute resolution mechanism** is provided for. The Trade Committee will comprise representatives of the EU and Korea. It will report on its activities and those of its committees, working groups and other specialized bodies to the Joint Committee established by the Framework Agreement. The updated framework agreement, coupled with the free trade agreement, reflects a new dimension of relations between the EU and Korea. At the request of the Council, the two agreements are legally and institutionally linked.

Provisional application: until the entry into force, this provides for its provisional application.

BUDGETARY IMPACT: the proposal has no financial impact on the Union's expenditure, but has a financial impact on its revenues.

EU/Korea Free Trade Agreement

2010/0075(NLE) - 10/09/2010

The Council discussed a draft decision on the signature and provisional application of an agreement with South Korea on free trade.

It agreed to return to the issue as soon as possible, with a view to enabling the agreement to be signed and a proposal for a decision on conclusion of the agreement to be sent to the European

Parliament for its consent.

The agreement, initialled on 15 October 2009, provides for the progressive and reciprocal liberalisation of trade in goods and services and includes rules on trade-related issues.

EU/Korea Free Trade Agreement

2010/0075(NLE) - 20/08/2010 - Legislative proposal

PURPOSE: the conclusion of a free trade agreement between the European Union and its Member States, on the one part, and Korea, on the other.

PROPOSED ACT: on 23 April 2007 the Council authorised the Commission to negotiate a free trade agreement with the Republic of Korea, on behalf of the European Union and its Member States. Those negotiations have been concluded and the Agreement was initialled on 15 October 2009, and signed on behalf of the Union; pending its conclusion at a later date. The Agreement applies on a provisional basis.

The Agreement now requires approval on behalf of the European Union.

It should be noted that the Agreement does not affect the rights of investors of the Member States to benefit from any more favourable treatment provided for in any agreement related to investment to which a Member State and Korea are Parties.

IMPACT ASSESSMENT: no impact assessment was undertaken.

LEGAL BASE: Articles 91, 100(2), 167(3) and 207, in conjunction with Article 218(6)(a)(v) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: with this proposal for a Decision, the Free Trade Agreement between the European Union and its Member States, on the one hand, and Korea, on the other, is hereby approved on behalf of the Union.

Specific provisions are made regarding:

- **cultural cooperation**: the Union does not intend to extend the period of entitlement to co-production pursuant to Article 5 of the Protocol on Cultural Cooperation following the procedure set out in Article 5(8) of the said Protocol unless, on a proposal from the Commission, the Council agrees four months before the end of such period of entitlement to continue the entitlement. If the Council agrees to continue the entitlement, this provision shall again become applicable at the end of the renewed period of entitlement. For the specific purposes of deciding on the continuation of the period of entitlement, the Council shall act by unanimity;
- **geographical indications:** for the purposes of the Agreement, modifications of the Agreement through decisions of the Working Group on Geographical Indications shall be approved by the Commission on behalf of the Union. Where interested parties cannot reach agreement following objections relating to a geographical indication for certain agricultural products or foodstuffs, the Commission shall adopt such a position on the basis of a specific procedure (in particular, for wines, aromatised wines or spirits).

Measures are also provided for in regard to comitology to determine the rules for decisions applicable in the areas of cultural cooperation and geographical indications, as defined above.

It should be noted that the Agreement shall not be construed as conferring rights or imposing obligations which can be directly invoked before Union or Member State courts and tribunals.

FINANCIAL IMPLICATION: the proposal has no implications for the EU budget.

EU/Korea Free Trade Agreement

2010/0075(NLE) - 20/08/2010 - Document attached to the procedure

This document lays down the provisions of the Free Trade Agreement (FTA) between the European Union and its Member States, on the one part, and Korea, on the other.

In April 2007, the Member States of the EU mandated the European Commission to negotiate an ambitious and wide-ranging FTA with South Korea. After eight series of formal negotiations, the two parties reached an agreement which should generate a substantial volume of new trade in goods and services. The FTA should, furthermore, strengthen the position of European suppliers on the Korean market thanks to its trade chapter.

The main aspects of the Agreement may be summarised as follows:

Purpose: the FTA seeks to set in place a gradual and reciprocal liberalisation in trade in goods and services and to lay down the rules concerning this trade.

Trade Chapter: the EU-Korea FTA provides for a series of measures establishing a **free trade area** in accordance with Article XXIV of the General Agreement on Tariffs and trade 1994 (“GATT 1994”). It provides for, in particular:

- **an end to trade barriers**: the Agreement provides for the elimination of significant non-tariff barriers in all sectors, some of which are essential for the European economy such as cars, medicines or consumer electronics. Sectoral annexes on pharmaceutical products and medical devices, as well as chemical products were negotiated with a view to dismantling non-tariff barriers. Korea will consider a raft of European standards as equivalent and will recognise European certification, thus eliminating bureaucratic burdens which, up to now, have represented a barrier to trade and were a disincentive to trade;
- **an end to customs duties**: the two parties will eliminate 98.7% of customs duties in terms of trade value, both for industrial and agricultural sectors in the five years that follow the entry into force of the Agreement. The remaining portion of tariffs will be eliminated almost fully over longer transitional periods, with exception of a limited number of agricultural products (such as rice or garlic). The FTA will quickly eliminate EUR 1.6 billion worth of Korean import duties annually for EU exporters of industrial and agricultural products. The EU will eliminate around EUR 1.1 billion of duties, which will benefit EU consumers and businesses. European machinery exporters will save EUR 450 million annually in duty payments. EU agricultural exporters will save EUR 380 million annually on duties for agricultural products for which Korean duties are currently relatively high. Wine and cheese will enjoy duty free and tariff-free quotas respectively from day one;
- **new trade**: the Agreement should generate substantial volumes in new trade in goods and services (up to EUR 19 billion for European exporters). It should also offer new opportunities in many services sectors, where the EU is highly competitive. These include telecommunications, environmental services, shipping, financial and legal services.

The FTA also contains separate chapters dealing with:

- sanitary and phytosanitary measures,
- customs regimes,
- trade facilitation;
- services,
- rules of establishment
- electronic commerce (along with lists of undertakings in the area which go far beyond the commitments of each of the parties under the General Agreement on Trade in Services (GATS) and which comply with the provisions of Article V of the GATS),
- current payments,
- capital movements.

Competition and respect for trade regulations: the FTA provides for far reaching commitments in area of competition including i) state aid, ii) intellectual property (including enforcement) and public procurement.

- **intellectual property**: the FTA will offer transparency and predictability on regulatory issues such as the protection of intellectual property (including through strengthened enforcement); improved market access in government procurement; as well as a new approach on trade and sustainable development involving civil society in the monitoring of commitments;
- **geographical indications**: the FTA will offer a high level of protection for EU Geographical indications such as Champagne, Prosciutto di Parma, Feta cheese, Rioja or Tokaji wine or Scotch whisky, etc.

Enhanced and binding horizontal provisions on regulatory transparency in areas relevant for mutual trade and investment have been also incorporated into the agreement.

Additional protocols: the FTA comprises several protocols:

- **rules of origin**: rules have been simplified and made more business friendly. At the same time, strict rules apply in sensitive sectors. For instance, for cars, the agreement would only moderately increase the levels of permissible foreign content from 40% to 45%. For textiles, agricultural and fisheries, the EU standard rules of origin will be maintained with only a small number of derogations applying. On duty drawback, the EU and Korea maintain the right to refund duties on imports on parts, in accordance with WTO rules. However, in case of a significant increase of sourcing from countries that have not concluded an FTA with Korea, i.e. where most favoured nation (MFN) duties still apply, a special clause allows for a cap of the refundable duties at a level of 5% ;
- **administrative assistance on customs matters**: on arrangements for cooperation between customs authorities.
- **cultural cooperation:** this sets a framework to engage in policy dialogue and cooperate in facilitating exchanges regarding cultural activities.

Trade and Sustainable Development Chapter: this covers both social and environmental dimensions. It includes cooperation provisions and establishes novel monitoring mechanism involving civil society through a **Civil Society Forum**.

Safeguard clause: the FTA will offer protection via a general safeguard clause . This would allow the re-establishment of so-called "Most Favoured Nation" duties for up to four years in case of a sudden surge in imports. The Commission will monitor closely the evolution of the market in sensitive sectors.

Institutional Chapter: the institutional provisions foresee establishment of a Trade Committee to supervise the implementation of the FTA and consider ways to further enhance trade relations between the Parties. An efficient **dispute settlement mechanism** is included to ensure enforceability of commitments (arbitration ruling within 160 days, which is faster than in the WTO). The Trade Committee shall be composed of representatives of the European Union and of Korea. The Trade Committee shall report to the Joint Committee established under the updated Framework Agreement on its activities and those of its specialised committees, working groups and other bodies.

Provisional application: pending the entry into force of the FTA, the Agreement foresees the provisional application of the Agreement.