



---

Press release

---

**KOREA** Brussels, 17 February 2011

## EU Commission welcomes European Parliament backing for free trade deal with South Korea

*EU Trade Commissioner Karel De Gucht, today welcomed the European Parliament's support for a Free Trade Agreement (FTA) between the European Union (EU) and South Korea. An overwhelming majority of MEPs voted for the deal (465 MEPs in favour) meaning that from 1st July 2011 businesses from both sides will be able to trade more freely and easily than ever before. This is the first time that the European Parliament has endorsed a trade agreement and adopted accompanying trade legislation under the Lisbon Treaty procedures.*

*"I am delighted that MEPs have so clearly supported this deep and innovative trade agreement – the EU's most ambitious to date and the first with an Asian country" said Commissioner De Gucht. "This is a landmark agreement and a benchmark for what we want to achieve with other key trading partners".*

Under the Lisbon Treaty, the European Parliament is required to give its consent on the EU's trade agreements and to be co-legislator on trade matters with the Council. The Safeguard Regulation, that accompanies the EU-South Korea FTA, is the first major co-decision file on trade in which the EP was involved. This was also adopted today [with 495 MEPs voting in favour].

### Background

The text of the agreement was initialled between the European Commission and South Korea on 15 October 2009 and signed on 6 October 2010.

The EP vote takes place together with the vote on the Regulation implementing the bilateral Safeguard Clause of the agreement ("Korea Safeguard Regulation"), an instrument, which will provide a safety net for the EU industry if ever it would be threatened by injurious surge of imports from South Korea.

Today's votes pave the way for the provisional application of the agreement as of 1 July 2011. The EU Member States will have to ratify the agreement according to their own laws and procedures before conclusion, which might take place in several years' time. This will however not affect the provisional application of the FTA.

### The EU-South Korea FTA

In terms of tariffs, South Korea and the EU will eliminate 98.7% of duties in trade value for both industrial and agricultural products within 5 years from the entry into force of the FTA. The remaining products, with a few exceptions in the agricultural sector, will become duty free over longer transitional periods, i.e. periods during which the tariffs will be phased out. This is the most ambitious trade coverage ever achieved in a FTA negotiated by the EU.

One study estimates that the deal will create new trade in goods and services worth €19.1 billion for the EU; another study calculates that it will more than double the bilateral EU-South Korea trade in the next 20 years compared to a scenario without the FTA. The FTA will remove virtually all import duties between the two economies as well as many non-tariff barriers. It will relieve EU exporters of industrial and agricultural goods to South Korea from paying tariffs. Once the transitional period for full implementation is complete, exporters will save € 1.6 billion annually from not paying import duties.

The agreement will also create new market access in services and investment and will make major advances in areas such as intellectual property, procurement, competition policy and trade and sustainable development.

### Trade figures

- EU-South Korea goods trade was worth around €54 billion in 2009. The EU currently runs a deficit with South Korea in goods trade, although trends suggest that the Korean market offers significant growth potential.
- For products like chemicals, pharmaceuticals, auto parts, industrial machinery, shoes, medical equipment, non-ferrous metals, iron and steel, leather and fur, wood, ceramics, and glass, the EU enjoys a solid trade surplus.
- Similarly, for agricultural products South Korea is one of the more valuable export markets globally for EU farmers, with annual sales of over €1 billion.
- On services, the EU has a surplus with South Korea of €3.4 billion, with exports of €7.8 billion in 2008 and imports of €4.4 billion.

### For further information

Memo on the EU-South Korea FTA

Ten key benefits of the EU-South Korea FTA

EU-South Korea trade

The text of the Agreement

Key elements of the agreement: "EU-South Korea FTA quick reading guide"

---

### RELATED NEWS

---

24/01/2011

Korean Co2 Legislation – European Commission statement

06/10/2010

EU and South Korea sign free trade deal

04/10/2010

For more news headlines:

- More recent headlines in **News and features**
- Browse the **News archive**

---

## KOREA

---

EU Trade relations with Korea. Facts, figures, latest developments and archives.

- More information about Korea

---

Last updated: 17 Feb 2011

Date: 17/2/2011; URL: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=680>