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*Committee on Industry, Research and Energy*

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**2010/0075(NLE)**

26.10.2010

## **OPINION**

of the Committee on Industry, Research and Energy

for the Committee on International Trade

on the proposal for a Council decision concluding the Free Trade Agreement between the European Union and its Member States and the Republic of Korea (COM(2010)0137 – C7-0320/2010 – 2010/0075(NLE))

Rapporteur: Daniel Caspary

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## SHORT JUSTIFICATION

On 23 April 2007 the Council authorised the Commission to open negotiations with the Republic of Korea with a view to concluding an EU-Korea Free Trade Agreement. The agreement was initialled on 15 October 2009.

Under the Lisbon Treaty, the European Parliament has been granted with new responsibilities on Free Trade Agreements (FTA). The KOREU Agreement, negotiated between the Republic of Korea and the EU, will be the first one to be adopted under the new rules of the consent procedure.

International Trade and exports are an important source of growth and employment in the European economy, making up around 10% of GDP and supporting millions of jobs. The FTA strengthens EU competitiveness and creates opportunities for EU businesses in a highly dynamic region.

The Rapporteur is of the opinion that, in a time of a global financial and economical crisis, the conclusion of the KOREU FTA is a clear signal of commitment to free and fair trade and against protectionism.

Furthermore, the KOREU is the most comprehensive FTA ever negotiated by the EU and the flagship of the Global Europe Strategy, including dismantling of high tariffs, the elimination of Non-tariff barriers to trade, better market access for goods and services, recognition of international and European standards, protection of geographical indications, as well as commitments for sustainable development.

Moreover, several studies concluded to crucial benefits for both the European and Korean economies:

- GDP within the EU and in Korea will rise significantly;
- EU exports to Korea will rise up to 82,6% and Korean exports up to 38,4% to the EU due to the elimination of tariffs and Non Tariff Barriers;
- exporters of industrial and agricultural goods to Korea will be relieved from duties up to € 1.6 billion per year;
- substantial new trade in goods and services will be created up to 19.1 billion for the EU,

The Rapporteur acknowledges that the Commission took the negotiation recommendations expressed by the European Parliament in the INTA Korea Report from 2008 fully into account. On its side, the EP took statements by many European business organizations, industries, companies and trade unions fully into account.

The civil society representatives were involved throughout the process of negotiations of the EU-Korea FTA for example via the civil society dialogue meetings and the consultation process that led to preparation of the Trade Sustainability Impact Assessment of the EU-Korea FTA. The FTA even sets up institutional structures to implement and monitor the commitments between the parties, including through civil society involvement. Each side will set up a civil society advisory group (so called Domestic Advisory Group), including a balanced representation of environment, labour and business organisations.

Finally, the Rapporteur took note of the serious concerns expressed by some European industries, especially in the automotive sector which, in his opinion, will be addressed by the European Parliament within the safeguard regulation. This bilateral safeguard clause provides for the possibility of reimposing the most-favoured-nation (MFN) rate when, as a result of trade liberalisation, imports increase to such an extent – in absolute terms or in relation to domestic production – and take place under such conditions as to cause, or threaten to cause, serious injury to the EU industry producing a similar or directly competing product.

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The Committee on Industry, Research and Energy calls on the Committee on International Trade, as the committee responsible, to propose that Parliament give its consent.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	26.10.2010
<b>Result of final vote</b>	+: 43 -: 3 0: 2
<b>Members present for the final vote</b>	Jean-Pierre Audy, Ivo Belet, Bendt Bendtsen, Jan Březina, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Lena Ek, Ioan Enciu, Gaston Franco, Adam Gierek, Norbert Glante, Jacky Hénin, Edit Herczog, Romana Jordan Cizelj, Arturs Krišjānis Kariņš, Lena Kolarska-Bobińska, Bogdan Kazimierz Marcinkiewicz, Angelika Niebler, Jaroslav Paška, Anni Podimata, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Jens Rohde, Paul Rübig, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Patrizia Toia, Evžen Tošenovský, Claude Turmes, Niki Tzavela, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras
<b>Substitute(s) present for the final vote</b>	Antonio Cancian, Matthias Groote, Jolanta Emilia Hibner, Yannick Jadot, Oriol Junqueras Vies, Silvana Koch-Mehrin, Bernd Lange, Markus Pieper, Mario Pirillo