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REPORT ON THE 7TH ROUND OF EU-KOREA FTA NEGOTIATIONS 12 – 15 MAY 2008, BRUSSELS

The 7th round of EU-Korea FTA negotiations has taken place on 12 to 15 May 2008. It brought a team of 100 Korean negotiators, under the lead of their new chief negotiator, Deputy Minister LEE Hye-min, for meetings in Brussels with the 40-strong Commission team led by Ignacio Garcia Bercero. The negotiations covered almost all remaining subjects of the FTA, except tariffs and automotive NTBs.

This 7th round has been scheduled after a **Ministerial meeting** between Commissioner Peter Mandelson and Korean Trade Minister KIM Jong-Hoon. They had met on 22 April in Tokyo to discuss core issue of this FTA, namely automotive NTBs, tariffs, rules of origin (ROOs), and - for the first time - services and investment. The Ministerial meeting had proved a useful political stocktaking, the first such opportunity after the Korean parliamentary elections,

[REDACTED]

The 7th round again was almost comprehensive. It addressed most remaining **chapters**, notably the sectoral NTBs other than automotive (electronics, pharmaceuticals and chemicals, the latter a Korean request), SPS, customs and trade facilitation, rules of origin (ROOs, including list rules), mutual administrative assistance, services and establishment, intellectual property rights (IPR), subsidies, government procurement. Main issues that have not been on the agenda are tariffs, and automotive NTBs.

[REDACTED]

Broadly, the 7th round confirmed **continued shared commitment** to achieving a comprehensive, highly ambitious and balanced agreement, but also that continuous joint effort is needed for getting there. The 7th round has been constructive, with better than expected progress towards an understanding on landing zones, in particular on NTBs and on certain aspects of ROOs, but also on IPR. More generally, the 7th round allowed the two sides identified areas where political guidance may become necessary, and those where continued technical contacts are needed.

As regards the three **sectoral NTB** chapters (electronics, pharmaceuticals, and chemicals), we can reasonably expect to get good results that answer our concerns on pharmaceuticals and electronics, and which stay within the bounds of our possibilities as regards chemicals. On **ROOs**, the discussions reassured us that our reflections on simplified and more flexible preferential ROOs are going in the right direction.

Art. 4.1(a)
third indent

The more difficult questions of **duty draw-back** and of the **Gaesong** industrial complex have not been discussed. these specific subjects will have to be addressed at chief negotiator and political level, and at a later stage.

Art. 4.1(a)
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In the **rules** chapters, there have been good discussions on IPR, including Geographical indications (GIs). Korea confirmed her readiness for a substantive GI chapter.

Art. 4.1(a)
third indent

there remains potential for a good KORUS-plus outcome on procurement.

Art. 4.1(a)
third indent

As regards **services and establishment**,

There was agreement on the need to accelerate the discussions in this chapter, including through an intersessional meeting that should focus on financial services, establishment, and EC specific requests.

Art. 4.1(a)
third indent

Again, we have been confronted with significant **media** attention and presence during this round in Brussels.

In **conclusion**, this proved another productive and useful round. In addition to the concrete progress made on NTBs, ROOs, and IPR in particular, this round confirmed and helped to sustain the dynamics of the negotiation, and it allowed to chart the process forward.

Art. 4.1(a)
third indent

We agreed to remain in close contact on all levels so as to prepare the **next steps** in this negotiation. This includes meetings at political level, between chief negotiators, intersessional meetings, and continued operating level contacts. We do not exclude further ministerial meetings before the summer break. There likely will be an intersessional meeting on rules of origin [REDACTED]

Art. 4.1(a)
third indent

[REDACTED] An intersessional meeting may also be necessary for services and establishment. Chief negotiators will remain continuously and closely involved.

Art. 4.1(a)
third indent

[REDACTED] Given the right substance, both sides considered that concluding this negotiation is feasible, and desirable, during the course of the current year.

Art. 4.1(b)

Ignacio GARCIA BERCERO [REDACTED]

Enclosures

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Art. 4.1(b)