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**REPORT OF THE 4TH ROUND OF EU-KOREA FTA NEGOTIATIONS,
15 – 19 OCTOBER 2007, SEOUL**

The **4th round** of the EU-Korea FTA negotiations took place 15 to 19 October 2007. The Commission brought 17 experts to Seoul meeting with a team of 147 Korean officials. The two sides were led by Korean Deputy Minister KIM Han-soo and Director Ignacio Garcia Bercero of the European Commission.

Discussions focussed on key aspects of a future agreement: Trade in goods (tariffs, NTBs, and rules of origin), establishment and services, and IPR. The other subjects were not covered as time between sessions was too limited to update textual proposals ahead of further substantive discussions.

Following the understanding reached between Commissioner Mandelson and Korean Trade Minister KIM Jong-hoon at their meeting of 9 October 2007, [REDACTED]

As regards **tariffs**, the 4th round was mainly a technical exercise allowing to discuss sensitivities claimed with regard to KORUS-minus offers. This has been done in detailed sectoral discussions which covered agriculture, fish and industrial goods. For the 25 industrial sub-sectors, [REDACTED]

[REDACTED] On agriculture, KR presented for the first time details on the proposed TRQs, and on the trigger levels for the KR proposed agricultural safeguards clause.

Art. 4.1(a)
third indent

[REDACTED]

For pharmaceuticals, focus on discussion of practical application of transparency in price setting.. First discussion of the recent EC wines and spirits paper more of an explanatory nature. KR signalled potential difficulties as regards the protection of traditional expressions and for wine labelling.

The group on **rules of origin** discussed the protocol and continued with their first reading of the list rules (product specific rules). Text based discussions focussed on aspects of certification, and monitoring visits, and KR recalled the open question of the Kaesong industrial zone. Other open issues are cumulation, sufficient processing, direct transport, and drawback. The product specific examination was completed, covering chapters 25-49, and 64-97, where KR proposed more lenient rules for a number of goods notably in chapters 84 and 85.

KR now accepts the structure of the EU text on trade in **services and establishment**, and some progress was made on removing brackets from the text. Progress was also achieved on regulatory provisions for financial services, telecoms and e-commerce. However, during the formal sessions,

[REDACTED]

The main substantive issues still remain unresolved (MFN, review, ratchet clause, application of different disciplines in non-services sectors).

Useful discussions on **IPR** re-examined the full text, and some new EU and Korean drafting suggestions, including for the first time a presentation of the EU's GI proposal. The main difficult issues have been clearly identified; Copyright – remuneration; enforcement – scope and relationship with trademarks; GI's – scope; data exclusivity – length of protection. Some other substantive questions also remain to be addressed as well.

Overall, another intense and useful negotiating round which did not bring about a breakthrough, but which produced good progress on IPR, some progress on NTBs, rules of origin, and services and establishment, and which allowed for important technical discussions on tariffs.

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[REDACTED] In addition, substantive NTB commitments will have to be a central part of any future FTA.

Detailed follow-up has again been agreed. At the next and 5th round in Brussels (19 – 23 November 2007), discussions are expected to cover again all aspects of the FTA.

Art. 4.1(b) Ignacio GARCIA BERCERO [REDACTED]

Enclosures

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Art. 4.1(b)