EU-Republic of Korea relations and the 7th EU-Republic of Korea summit
Brussels, 8 November 2013

The seventh EU-Republic of Korea Summit will take place in Brussels on 8 November 2013. The EU will be represented by Herman Van Rompuy, President of the European Council, and by José Manuel Barroso, President of the European Commission. The Republic of Korea will be represented by President Park Geun-Hye. Commissioners Karel De Gucht (Trade) and Máire Geoghegan-Quinn (Research, Innovation and Science) will also take part.

The Summit marks 50 years of diplomatic relations between the EU and South Korea and this will be celebrated through a leaders declaration.

At the summit, discussions are expected to focus on:

EU-Republic of Korea relations. Bilateral cooperation on political and security affairs will be discussed, reflecting the EU's and Korea's increasing international engagement. Leaders will address EU-Korea economic relations in general and trade in particular, taking into account the expansion of bilateral trade since the provisional application of the Free Trade Agreement as of 1 July 2011. The Summit will also provide an opportunity to take stock of cooperation in the field of science, technology and education. The leaders are expected to approve the signing of an arrangement to promote the hosting of Korean researchers in Europe and the signing of a declaration to deepen cooperation in higher education. They should also discuss and welcome a forthcoming agreement that will allow Korea, as the first Asian partner, to participate in EU crisis management operations.

Global issues. Leaders are expected to discuss and agree on the need to continue efforts to support global economic growth and underline their commitment to open trade as a way of overcoming the economic crisis. They will further discuss climate change, the post 2015 development agenda, challenges in relation to cyberspace, human rights and non-proliferation issues.

Regional issues. Recent developments in the EU's and Korea's respective neighbourhoods will be on the agenda. In particular the situation on the Korean Peninsula, including recent positive developments in inter-Korean relations, will be discussed. Other topics include the East Asian regional security architecture, Egypt, Syria and Iran.

EU-Korea relations

The EU relationship with the Republic of Korea is based on the 2001 Framework Agreement for Trade and Cooperation. In recent years the scope of the overall relationship has developed from a predominantly trade-based relationship to an active and broad-based cooperation, reflecting Korea's emergence as a dynamic and influential global actor. Since 2010 Korea is a strategic partner of the EU. The agenda for cooperation includes science and technology, the information society, education, climate and environment, social policy, customs, competition, and international development.
Since 2009, the EU-Republic of Korea relations have continued to develop very rapidly and favourably with successful negotiations for a new updated Framework Agreement (FA) and on a Free Trade Agreement (FTA).

The FA is the overarching cooperation agreement with a legal link to the FTA. It provides a basis for strengthened cooperation, including on major political and global issues (e.g. joint promotion of human rights, non-proliferation of weapons of mass destruction, counter-terrorism, climate change, development cooperation, etc). The FA was signed on 10 May 2010.

The FTA, signed at the October 2010 summit in Brussels, provides for the progressive liberalisation by both parties of trade in goods and services, as well as rules on trade-related issues such as competition and state aid, intellectual property and public procurement. It has been provisionally applied since 1 July 2011 and led to an expansion of bilateral trade.

Trade relations
Following the provisional application of the FTA as of 1 July 2011, EU exports of goods to Korea have increased by 24%, or €7 billion, in the second year of the FTA being applied, compared to the year before the provisional application of the agreement. In contrast, imports from Korea have fallen by 6%, in the second year of implementation, compared to the year before the FTA. As a result, the EU now has a trade surplus with Korea.

However, even though imports from Korea have decreased overall, this is not true for goods with preferential access granted by the FTA. The decrease can be attributed to reduced demand in the EU for goods already having zero MFN-tariffs, while imports of fully liberalised goods from Korea increased by 21% and of partially liberalised goods by 23%. Total world demand for the same Korean products has remained flat in this period, thus indicating that this positive development may be linked to the FTA.

On the EU side, exports of fully and partially liberalised goods have also increased more than exports overall, with an increase of 37% for fully liberalised goods and 24% for partially liberalised goods.

As regards trade in services, where trade data is produced with a severe time lag, EU exports of services (GATS modes 1 and 2) to Korea increased by 9% in 2011 compared to 2010. At the same time imports of services from Korea decreased by 2%, leading to a strengthened surplus in the EU’s favour, in respect of trade in services.

Regional issues
The EU attaches great importance to maintaining stability in the region and reducing tensions on the Korean Peninsula. North Korea’s nuclear weapons and missile programmes as well as the human rights situation remain a grave concern. The EU continues to support international efforts and dialogue aimed at achieving a nuclear-free Korean peninsula.