Qualitative Assessment of the EU Korea FTA

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Introduction

• Assessment of the EU Korea FTA after five years focusing on qualitative aspects.
• What will the study do?
• What has happened with the implementation of the FTA on both sides?
• What have been the implications for enterprises and for consumers?
• What are the challenges for the future.
• The study will survey enterprises both EU based and Korean based.
• We will conduct interviews with a limited number of enterprises on the issues identified.
• We will analyse the results and present them in a workshop next year in Seoul.
Both are useful and are complementary methods.
Quantitative assessments tend to be aggregate focusing on trade flows and subject to limitations, undifferentiated products and no economies of scale.

Qualitative assessments have more flexibility to examine different types of specialization and the integration of supply chains.

Most trade in the world is Business to Business (B2B) in intermediate products. For example smart phones are assembled in China but the components are sourced from several countries. Hence the term Made in the World.
Contribution to Sustainable Economic Growth

- Specialisation in producing inputs at different stages in the supply chain can achieve economies of scale and reinforce technological innovation.
- The effects of FTAs can be increased productivity and innovation leading to higher productivity. Important for policy but difficult to measure.
Future Challenges and Opportunities

• What needs to be improved or adjusted?
• Do the provisions for technical regulations need refinement? Is there sufficient cooperation on standards?
• Are there issues with certification of rules of origin?
• Have non-tariff barriers been reduced sufficiently? Or does more need to be done?
• Should the Services provisions be deepened?
• What are the perspectives on intellectual property rights?