**Remarks by**

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**SESSION II (Ways for Countries to Collaborate to Broaden Support for Free Trade)**

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* Thank you for inviting me to speak at this event, which I see is focused on the promotion of the benefits of free trade. You don't need to convince the EU. We continue to champion free and fair trade in these challenging times.
* Throughout the world today, we see a rising risk of protectionism. These trends are dangerous for our society and economy. Objective studies like the ones from the OECD have shown that trade delivers jobs, growth and investment for consumers, workers and small companies. One impressive figure: 31 million jobs in the EU depend on external trade! Indeed, most parts of the world still realise that open, rule-based trade holds the key to our prosperity and progress. One more figure: EU consumers gain about €600 a year due to increased choice in goods! Therefore, many people, including I hope all of us present in this event today, realise that "*protectionism offers no protection.*"
* Protectionism is a step backwards. The EU is at the forefront of a group of like-minded countries in the world, determined to resist such populist and nationalistic thinking. With the risk of protectionism and the weak commitment of large players to global trade governance, the EU is stepping up to take the lead, not only in words but also in deeds.
* As the biggest trader and the biggest investor in the world, we continue to highlight the importance of creating an expanded and secure market for goods and services as well as a stable and predictable environment for investment. We are constantly reaching out to all those likeminded partners, among which Korea stands out. Korea experienced like other export-dependent Asian economies that open markets in the EU and US have been the engines of growth, development and prosperity - advocating and exercising free and fair trade is essential.
* Presently the EU is negotiating or updating FTAs with 19 countries and 2 regional blocs, ASEAN and MERCOSUR. Looking at this panel – the EU has concluded FTAs with Korea, Canada, Singapore and prepares negotiations with Australia.
* At the same time, the EU recognises that around the world there is a rising concern about the impact of trade on societies. It would be wrong of us to ignore those concerns. But we believe that open markets do not require us to compromise on the EU's core principles such as good governance, environmental protection, human and labour rights, health and consumer protection, cultural diversity.
* Therefore the EU's trade policy aims to deliver economic opportunities for workers, consumers and businesses, while at the same time reflecting the mentioned values through responsible supply chains and maintaining a high level of regulatory protection - for example regarding food safety.
* Across the world, Civil Society is demanding more transparency in how governments formulate trade policy and carry out trade negotiations. The public (especially in Europe) want to be consulted on the design of trade policy and informed about ongoing negotiations. We have over the last few years opened up to the public the mechanics of trade more than ever before.
* We are convinced of the contribution of international trade to sustainable development in its economic, social and environmental dimensions. The EU has opened its markets fully to imports from the world´s poorest countries – we call it EBA, Everything but Arms. We also assist them in capacity building to get the skills needed to trade successfully; EU-imports of € 860 bn. a year speak for themselves.
* We also have to reflect changes in the nature of trade. Trade is no longer just about goods. We have to make sure that trade delivers on its promise of new economic opportunities relating to service and digital trade in today's economy. And as Korea knows very well, the 4th Industrial Revolution will throw up new challenges.
* Therefore the EU has moved from classical FTAs to a new generation of FTAs, reaching beyond tariff reductions to include services, public procurement, investment and regulatory cooperation in order to open markets and implement the Sustainable Development Goals.
* In this context it is important is to bear in mind that trade is not just for big business: We believe that trade creates opportunities for Small and Medium Sized Enterprises (SMEs) to export and allows them to create jobs. **SMEs are playing a greater role in international trade** today. SMEs should be the starting point for more inclusive global trade and more responsible supply chains – the new Korean government is focussing on SMEs too.
* The 2011 EU-Korea FTA was the first of the most ambitious and comprehensive EU trade agreements, followed very recently by the EU-Canada Comprehensive Economic and Trade Agreement (CETA). By the end of this year Japan should join this exclusive club.
* The EU-Korea FTA has already achieved many of the objectives that were originally set when the agreement was negotiated. Almost 99% of import tariffs have been removed. There has been a significant increase in bilateral trade between Korea and the EU since the FTA entered into force: the FTA has boosted our bilateral trade by over 30%. The EU is Korea`s 2nd largest trading partner while Korea holds the 9th position for the EU. This has created new business opportunities, benefiting companies and consumers both in Korea and the EU. In addition, there has also been considerable increase in foreign direct investments and trade in services – the figures speak for themselves.
* In addition to the statistics, we undertook a more qualitative study here in Seoul, and surveyed EU and Korean exporters importers and EU investors in Korea to collect their views of the operation of the FTA. The results were presented at the Business Forum in September during the visit of Trade Comissioner Malmström.
* In a nutshell: Both SMEs and larger companies consider the impact of the FTA to be positive. About 75% of all enterprises said that they had upgraded products and services, expanded the range of products available, developeed new products or innovations as a result of the opportunities given by the FTA.
* For a few years Korea had a trade deficit with the EU, although the most recent figures show this is changing and there is now actually a trade surplus in favour of Korea. But in any case, the EU does not view things in a mercantilist way: a trade deficit does not mean that, as a country you are losing out; nor does a trade surplus mean that a country is winning.
* Trade goes both ways and in our view, the importance is for more trade, for intertwining of our economies and for growing our economies together, in partnership. We are not interested in looking at Trade figures in a "plus/minus" way; we are not looking for winners and losers; we are looking for "growth of the sum" of trade between our two sides.
* As part of our regular meetings in managing the FTA, we have been exploring together where we could improve the Agreement. Of course we have different wishes and needs. This is a natural process and a very informal one. We think that is the best way forward, and the best way to make sure that our FTA really is a partnership of equals and with each other's sensitivities and needs in mind. That is how a strategic partnership functions.
* In conclusion, let me underline again that in uncertain times the EU remains a reliable and predictable trade partner thereby contributing to security and stability.
* The 2016 EU Global Strategy, the EU´s foreign policy blue print is clear on this aspect: *“There is a direct connection between European prosperity and Asian security. In light of the economic weight that Asia represents for the EU – and vice versa – peace and stability in Asia are a prerequisite for our prosperity. We will therefore deepen economic diplomacy and scale up our security role in Asia.”*
* In our view, security is not only about arms, missiles and nukes; it is also about prosperity, jobs and sustainable development – join us in achieving these comprehensive goals of our foreign and trade policy in our mutual interest.