

ESF09-21

His Excellency
José Manuel Barroso
President of the European Commission
European Commission
Rue de la Loi, 200
B - 1049 - Brussels

Helsinki, 6 July 2009

Subject: Services Industry Calls for swift conclusion of the EU-Korea FTA

Dear President Barroso,

The European Services Forum (ESF) is a network of high-level representatives of the European Services Sector committed to promoting the interests of European services and the liberalisation of services markets throughout the world through international trade in services negotiations.

On behalf of the business leaders of European services companies and our sector specific trade associations (see attached), I wish to express the strong support of the services industry for the rapid conclusion of the Free Trade Agreement ("FTA") which has been negotiated between the European Union and the Republic of South Korea.

As you are aware, the services sector is by far the most important sector of the European economy accounting for 71% of EU GDP and 67% of EU employment. Services also account for 23% of total EU trade. The European Union and South Korea are already important partners in trade in services, with a trade volume of more than €11.1 billion in 2007, with a benefit for the EU of more than €3.2 billion (9th EU largest). This trade is growing considerably, with an increase of 66% in the last three years.

But these figures could be considerably improved if the trade barriers between the two blocs in the various services sectors would be removed. According to the Eurostat FDI Yearbook 2007, Korea received only 2.4% (€3.5 billion) of EU outward FDI in 2005, of which more than 65% came from services sectors. This is a clear signal that conditions for our companies to invest in Korea could be greatly improved and that freer market access, non-discriminatory regulation and better implementation of regulation, with quicker, more transparent and less burdensome administrative procedures, should be put in place.

Moreover, the realisation of trade liberalising commitments such as those contained in the EU-Korea FTA are critically important at the current economic juncture. Not only will many European services companies, together with numerous manufacturing and agricultural businesses that also depend on services support, directly benefit; but the boost to economic confidence that would result from the conclusion of such an important headline agreement

would greatly support the current efforts of the authorities throughout Europe to restore economic confidence. In addition, we consider that the liberalising services commitments in the agreement will establish an important precedent for similar FTA agreements with other trading partners. We thus believe that the schedule of commitments in services and establishment negotiated by the Commission and the Korean trade negotiators can contribute significantly to improve conditions of trade in services and investment in Korea. We therefore urge the European Union not to let slip the current opportunity to finalise this agreement nor to lose the clear benefits which it can supply to the European economy.

The European Services Forum has from the start supported the Global Europe Strategy which has initiated the negotiation of bilateral trade deals. It is now time to deliver and demonstrate to the business community that the EU is capable in concluding agreements with strong significance for the European economy, with opportunities to create market access and related new jobs that are more than ever needed in these difficult times.

We understand that the deal must be ambitious and balanced. We consider that the package on the table would create important new export and investment opportunities for European companies and send a strong signal on the commitment of the European Union to the principle of trade liberalisation, and demonstrate that the EU is not only resisting to protectionist pressure but furthermore shows its willingness in using trade as a long term tool to exit the current financial and economic crisis.

We strongly encourage the negotiators and the Member States to find swiftly a satisfactory way to resolve the outstanding issues. We would ask too that the larger and economically more significant interests of those sectors of the economy which stand greatly to benefit from the agreement be given the highest priority in the definition of the EU's negotiating strategy.

At the end of the day, a proper balance of the benefits of the agreement must be assessed, including the enormous potential for the various services sectors that constitute the backbone of the EU economy and that desperately need further market access abroad so as to allow our companies to maintain their competitive advantage and support competitiveness at home.

Yours sincerely,



Christoffer Taxell

ESF Chairman

Cc: Baroness Catherine Ashton – EU Trade Commissioner
EU Trade Ministers and members of the 133 Full Committee

The European Services Forum (ESF) is a private sector trade association that represent the interests of European services industry for International Trade Negotiations in Services. It comprises major European service companies at the CEO level and European service sector federations covering service sectors like financial services, tourism, telecommunications, maritime transport, business and professional services, distribution, postal and express delivery, IT services, energy services and the audio-visual industry (www.esf.be). It is estimated that ESF membership covers approximately 80% of Extra EU services exports and investments.

Monday, 06 July 2009

**ESLG MEMBERSHIP
(EUROPEAN SERVICES LEADERS GROUP – ESLG)**

The European Services Forum comprises major European service companies, represented by their CEOs or board members in the European Service Leaders Group (ESLG, see members below) and European service federations, representing 20 services sectors. It represents the very large majority of the European service industries that have a direct interest in supplying international services.

Name	Title	Company
1. Mr. Bengt Westergren	Vice Chairman	AIG Europe S.A.
2. Sir Michael Rake	Chairman	BT Plc
3. Mr. Stuart G Popham	Senior Partner	Clifford Chance
4. Mr. Klaus-Peter Müller	Chairman of the Board of Management	Commerzbank AG
5. Mr. Josef Ackermann	Chairman of the Group Executive Committee	Deutsche Bank AG
6. Mr Kai-Uwe Ricke	CEO	Deutsche Telekom AG
7. Mr. Scott Price	CEO DHL Express Europe	DHL Worldwide Network SA
8. Mr. Jeremy Jennings	Senior Partner	Ernst & Young
9. Mr. Didier Lombard	President	France Telecom
10. Mr. Richard Gnodde	CEO	Goldman Sachs International
11. Mr. Larry Hirst	Chairman	IBM Europe, Middle East & Africa
12. Mr. Ben van der Veer	Chairman	KPMG EMEA
13. Mr. Richard Ward	CEO	Lloyd's of London
14. Mr. Loic Le Guisquet	Executive Vice President	Oracle EMEA
15. Mr. Stephen Hester	CEO	Royal Bank of Scotland Group plc.
16. Mr. Peter Löscher	President and CEO	Siemens AG
17. Mr. Peter Sands	CEO	Standard Chartered Bank
18. Mr. Franco Bernabé	CEO	Telecom Italia
19. Mr. César Alierta Izuel	President and CEO	Telefónica SA
20. Mr. Jon Fredrik Baksaas	President of the Executive Board	Telenor Group
21. Mr. Niall FitzGerald	Deputy Chairman	Thomson-Reuters
22. Mr. Peter Bakker	President and CEO	TNT
23. Dr. Michael Frenzel	Chairman	TUI AG
24. Mr. Henri Proglío	Chairman of the Board of Management	Veolia Environnement
25. Mr. Vittorio Colao	CEO	Vodafone
26. Mr. James J. Schiro	CEO	Zurich Financial Services

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1. AIG Europe S.A.
2. Architects' Council of Europe –ACE
3. BT Plc
4. Bundesverband des Freien Berufe – BFB
5. Bureau International des Producteurs et Intermédiaires d'Assurances – BIPAR
6. BUSINESSSEUROPE
7. BUSINESSSEUROPE WTO Working Group
8. Conseil des barreaux de la Communauté Européenne – CCBE
9. Comité Européen des Assurances - C.E.A.
10. Confédération Fiscale Européenne - CFE
11. Clifford Chance
12. Conférence des Notariats de l'Union Européenne – CNUE
13. Commerzbank AG
14. Confederation of Danish Industries - DI
15. Deutsche Bank AG
16. Deutsche Telekom AG
17. DHL Worldwide Network SA
18. EK - Confederation of Finnish Industries
19. Ernst & Young
20. EuroCommerce
21. European Association of Cooperative Banks – EACB
22. European Banking Federation – EBF
23. European Broadcasting Union – EBU
24. European Community Shipowners' Associations – ESCA
25. European Express Association – EEA
26. European Federation of Engineering and Consultancy Association – EFCA
27. European International Contractors – EIC
28. European Public Telecom Network – ETNO
29. European Savings Banks Group – ESBG
30. European Satellite Operators Association - ESOA
31. Fédération des Experts Comptables Européens – FEE
32. Fédération de l'Industrie Européenne de la Construction – FIEC
33. Foreign Trade Association - FTA
34. France Telecom
35. Goldman Sachs International
36. IBM Europe, Middle East & Africa
37. International Financial Services, London - IFSL
38. KPMG
39. Law Society of England & Wales
40. Lloyd's of London
41. Mouvement des entreprises de France – MEDEF
42. Oracle Europe, Middle East & Africa
43. PostEurop
44. Royal Bank of Scotland – RBS
45. Siemens AG.
46. Standard Chartered Bank
47. Svenskt Näringsliv (Confederation of Swedish Enterprise)
48. Telefónica SA
49. Telenor Group
50. Thomson-Reuters
51. TNT
52. Trägerverein Zenit e.V
53. TUI A.G.
54. Veolia Environnement
55. Vodafone
56. Zurich Financial Services