



« The voice of the European Service Industries for International Trade Negotiations in Services »

ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ
EUROPEAN PARLIAMENT
PARLAMENTO EUROPEO
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PUBLIC HEARING
Committee on International Trade



***Free Trade Agreement
between the European Union
and its Member States and
the Republic of Korea***

Wednesday, 23 June 2010

9.00-11.00

ASP A3-G2

EXPO/25666 EN

ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ
THE EUROPEAN PARLIAMENT

“The benefits of the FTA for the European Services Sectors”

**Mr. Pascal KERNEIS, Managing Director
European Services Forum - ESF**



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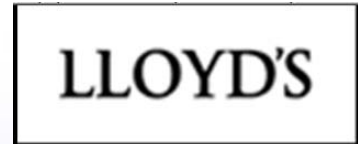
ESF covers most services sectors, including:

- Insurance & insurance intermediation
- Banking
- Business services: IT & Computer; consulting, advertising, after-sales services
- Professional services: legal services, accountants, architects, engineers
- Construction services
- Distribution services
- Postal & Express Delivery services
- Audio-visual services
- Energy related services
- Environmental services
- Telecommunication services
- Tourism
- Maritime Transport



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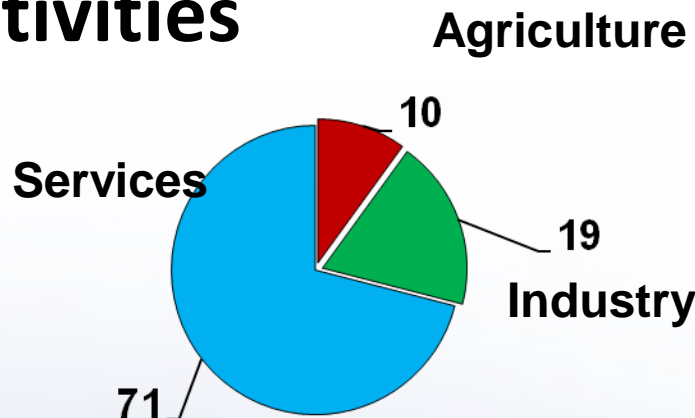
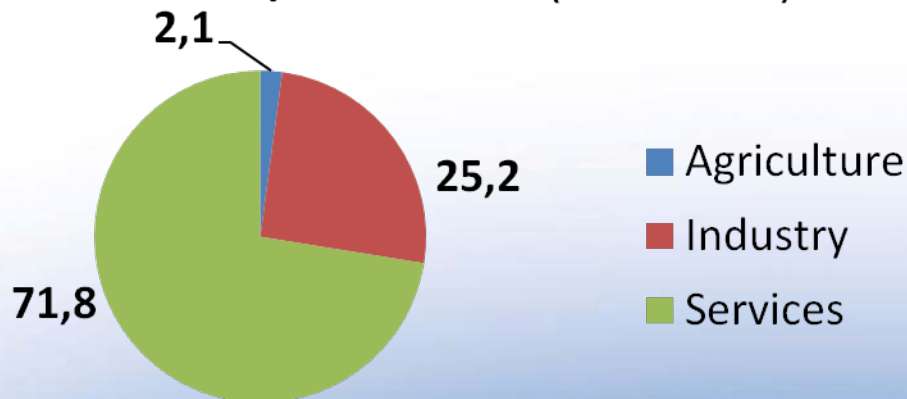
SOME OF ESF MEMBERS INCLUDE:



For more information, see www.esf.be

Importance of the services sector and its international activities

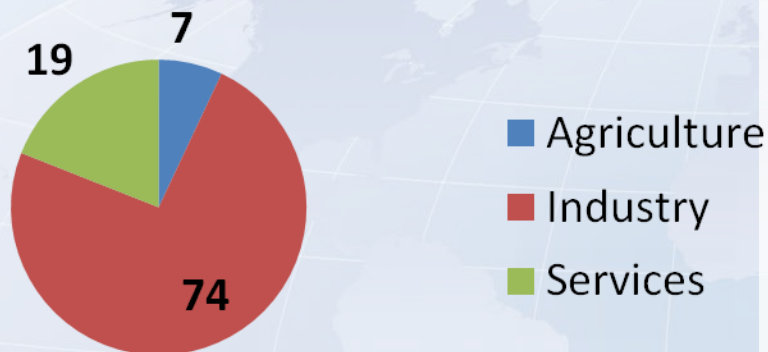
EU27 GDP /sector - % - (est. 2009)



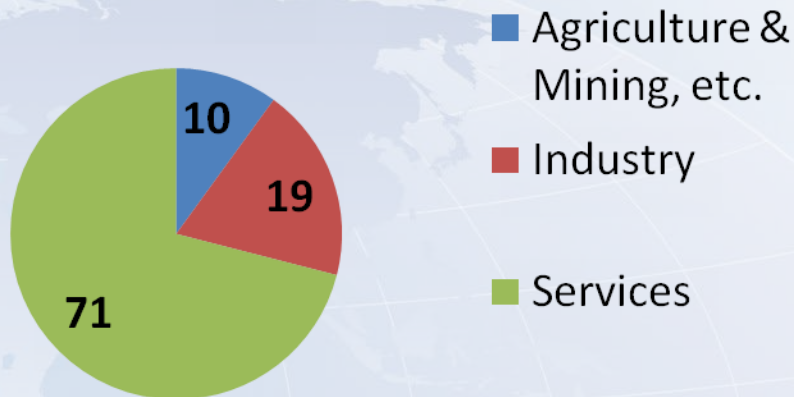
Services share of total employment in the EU27 - 2007 - %

The Services sector generates 90% of new jobs in the EU15

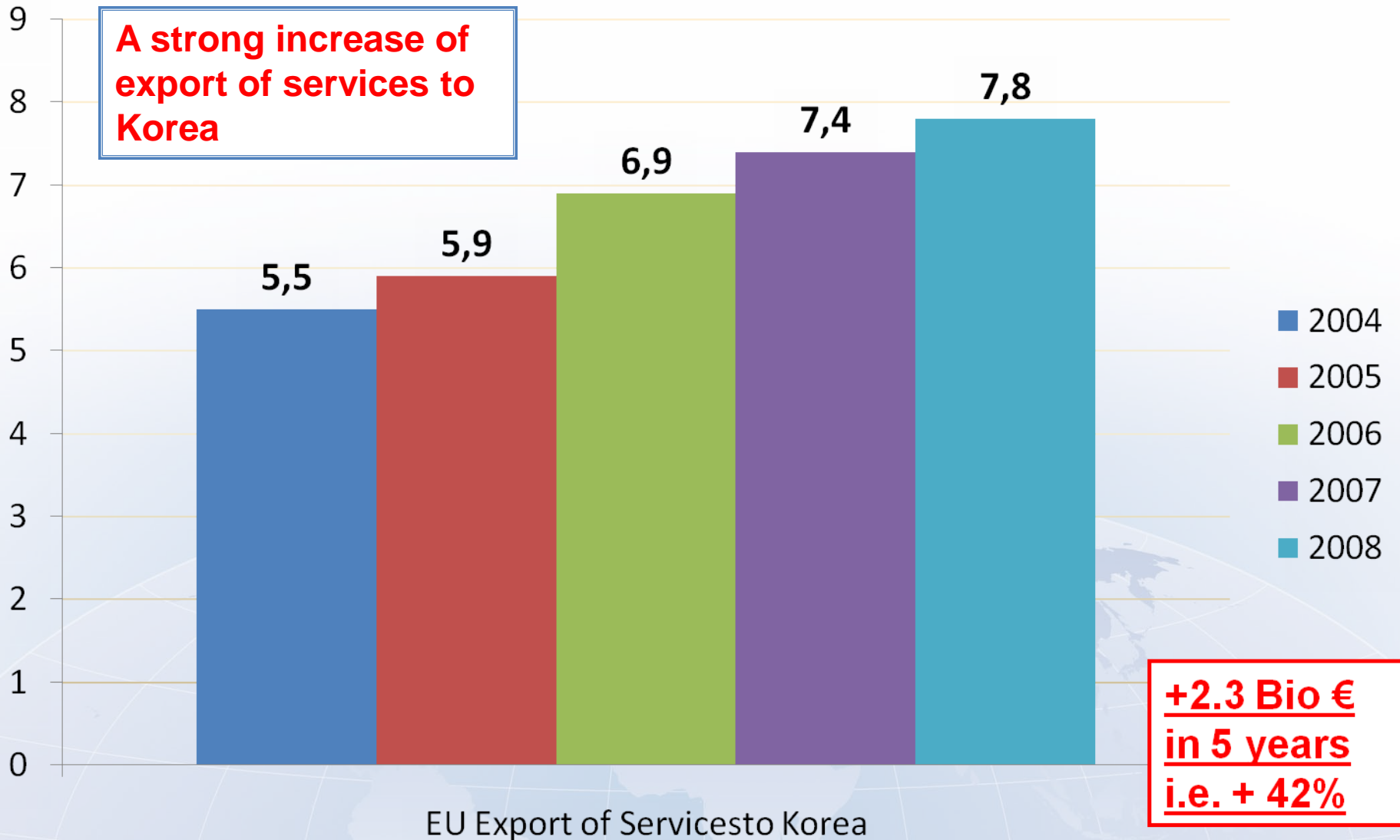
World export per sectors - % - 2008



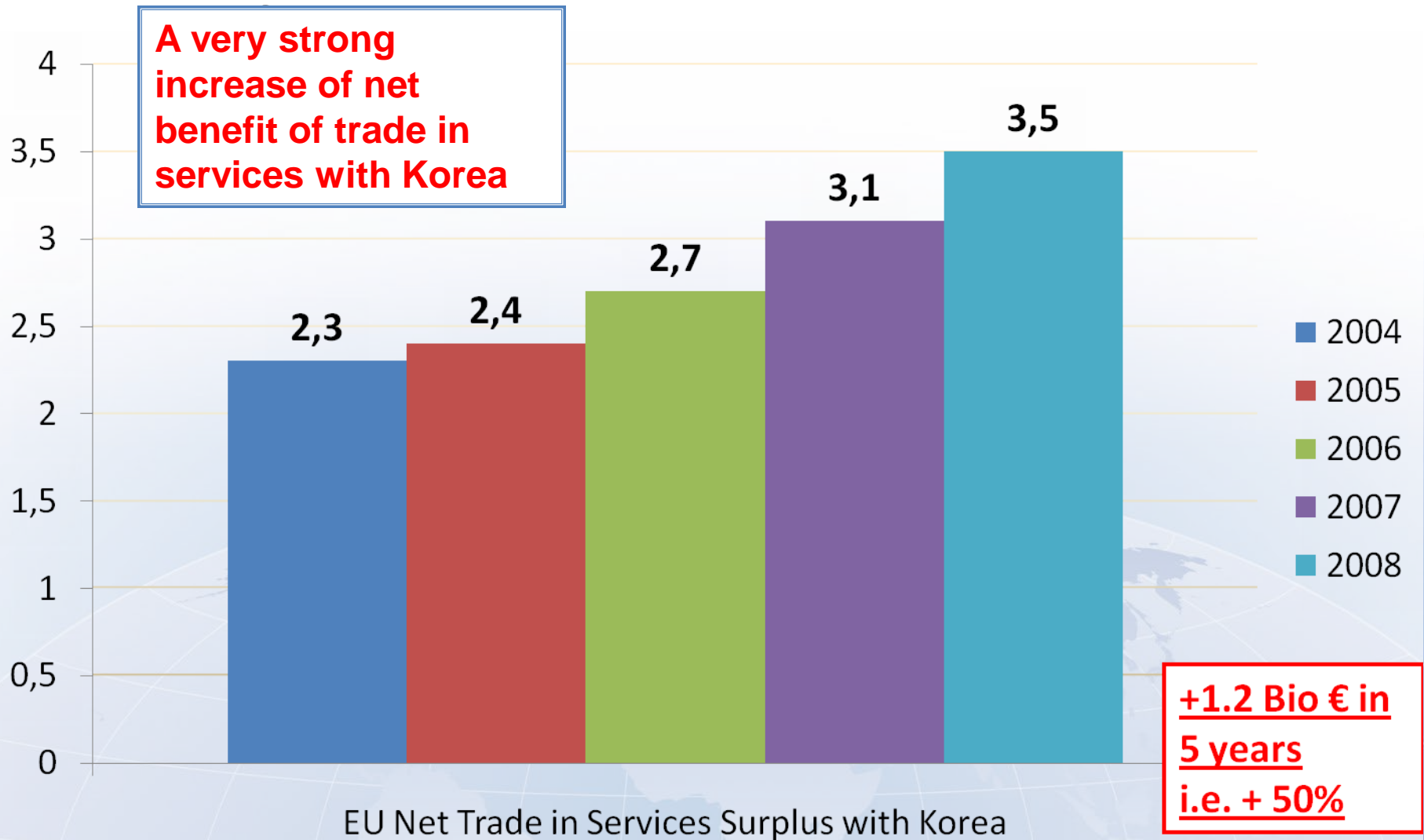
EU25 - 2005 - FDI - %



EU 27 – KOREA TRADE IN SERVICES – EXPORT (€- BILLIONS)

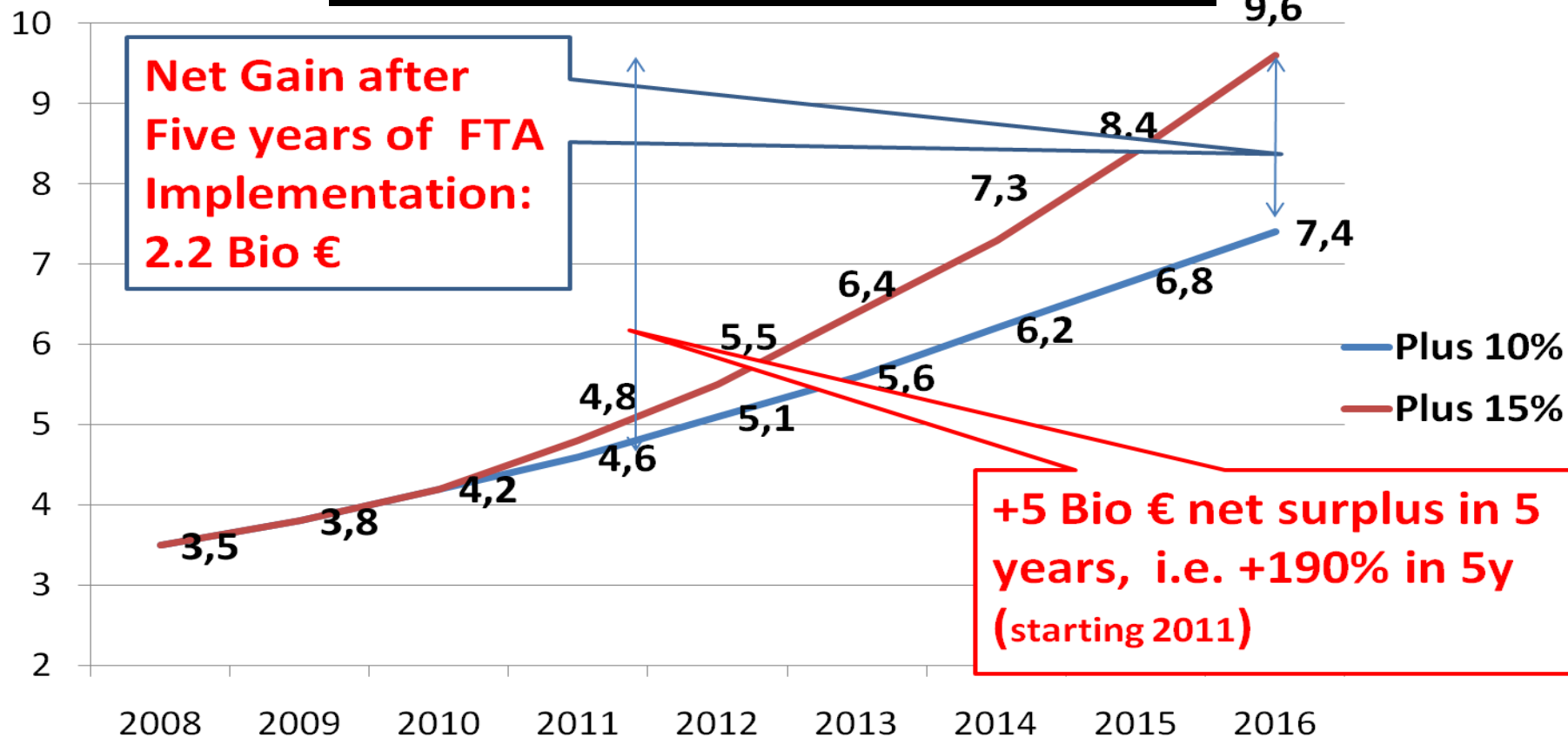


EU 27- Korea Trade in Services – Net



EU 27 TRADE IN SERVICES WITH KOREA – NET SURPLUS

FUTURE SCENARIOS (€BILLIONS)



Net Gain after Five years of FTA Implementation: 2.2 Bio €

+5 Bio € net surplus in 5 years, i.e. +190% in 5y (starting 2011)

(1) +10% = Current trend;
+15% = Estimation of impact of FTA implementation

Source: Eurostat

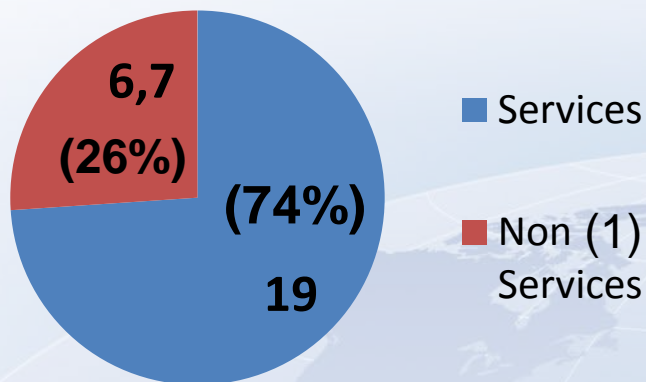
NB: Implementation starts in 2011

EU FDI FLOWS IN KOREA

EU FDI outward Flows in Korea is rather low compared its economic development. This is due to high protection against establishment (mode 3), that will be considerably reduced by the FTA.

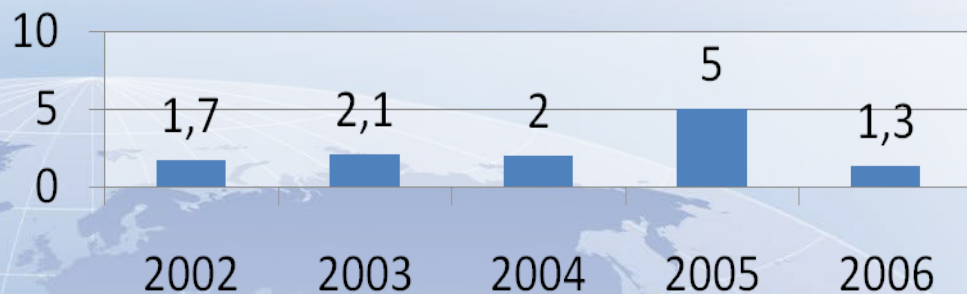
EU Stocks in Korea –
2009 - \$ Bil

The FTA will considerably improve EU Investments in services sectors in Korea



In 2009, the total FDI Stocks by EU companies in Korea = only 25.7 \$ Bil. (1,18%) (16th)

FDI flows (€ Bil)



Total FDI by EU into Korea in 5y= €12.1 Bil.; **includ. 74% in Services = €8 Bil.**

(1) FDI in Non services sectors include: agriculture, mining, manufacturing, others

EUROPEAN SERVICE INDUSTRY STRONGLY SUPPORTS

THE RATIFICATION OF THE EU-KOREA FTA (1)

- ESF understands the concerns of some manufacturing sectors and we support the Safeguard Regulation that the Parliament is now examining so as to ensure a level playing field,
- The Parliament needs to make a proper **assessment of the overall balance of benefits from the agreement**, including the enormous potential that it offers to the various services sectors that constitute the backbone of the EU economy (see charts),

EUROPEAN SERVICE INDUSTRY STRONGLY SUPPORTS THE RATIFICATION OF THE EU-KOREA FTA (2)

- The FTA will establish an **important precedent for similar FTA agreements** seeking the same liberalising concessions from other trading partners (“Global Europe Strategy”),
- The FTA will provide the **benefit of “first movers” in Korea Market**, provided that the FTA is provisionally implemented by end 2010,



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SECTOR-BY-SECTOR ASSESSMENT OF THE BENEFITS TO EUROPE'S SERVICES INDUSTRY

1) The FTA ensures **full market access** and **national treatment** to our companies, with **legal security to their investments**, in a large number of services sectors (engineering, Computer related services, many business services, construction services, Tourism, many transport services, etc.)

2) The FTA provides WTO+ and KorUS+ in most services sectors:

- Legal services
- Postal and express courier services
- Telecommunication services
- Distribution services
- Environmental services
- Financial services
- Maritime transport services



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THANK YOU FOR YOUR ATTENTION !

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