



FTA
Foreign Trade Association

Pablo Zalba Bidegain MEP

European Parliament
Bât. Altiero Spinelli 11 E 210
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Brussels, 26 April 2010

Regulation implementing the bilateral safeguard clause of the EU Korea Free Trade Agreement

Mr. Zalba Bidegain,

The Foreign Trade Association (FTA) is the representative of importers and retailers across Europe on foreign trade issues. We represent more than one hundred EU retailers and importers, whose brands include Zara, Massimo Dutti, Esprit, Celio, Decathlon, Adidas, Hugo Boss, and many others.

We fully support the agreement between EU and South Korea. We believe that this trade agreement will improve the competitiveness of European retailers and the majority of the European business. South Korea is a major sourcing country for textiles, electronics and other consumer goods. The country also offers considerable market access opportunities. From the political point of view, this would be the most important free trade agreement between the EU and a third country.

We understand the need to incorporate a bilateral safeguard clause that provides the possibility of re-imposing Most Favoured Nation (MFN) rates when imports take place under such conditions to seriously damage the EU Industry. Nevertheless, we are concerned that the regulation implementing the bilateral safeguard clause may be used as an instrument for obtaining the reintroduction of MFN rates for protectionist purposes.

In order to avoid this, we call upon the European Parliament to ensure that the procedure laid down in the Regulation will be linked to clear and objective criteria. In particular:

Only Member States and the European Commission, and not also the private sector, should be involved in the initiation of the proceeding. The investigation should be initiated on the basis of objective evidence including official import statistics and other relevant economic data from independent sources (art.3).

The investigation should be carried out on the basis of the principle of transparency and interested parties should be allowed to provide relevant information to the European Commission in the framework of the investigation (art. 4)

The imposition of provisional safeguard measures should only be limited to critical circumstances (art.5).

We thank you in advance for taking the points mentioned above into consideration

Yours respectfully,

Jan A. Eggert
Secretary General