Korea-EU FTA Negotiations: Trade Remedies

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I. Introduction

After Korea and the European Union (EU) embarked the free trade agreement (FTA) negotiations in May 2007, they have discussed a wide variety of trade issues with an aim of liberalizing their bilateral trade further. Among the issues include goods, services, investment and intellectual

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property rights. In particular, Korea reportedly put priority to trade remedy area which covers anti-dumping, countervailing and safeguard measures. This negotiation priority is not surprising because a variety of Korean products have been subject to the EU’s anti-dumping and countervailing investigations and their consequent measures.

There are a number of studies on EU trade remedy regulations such as Bael et al (2004), Chae (2000) and Sohn (2005, 2007, 2008). But they do not suggest any strategies which Korea could use for its FTA negotiations with EU. Thus, we will discuss trade remedy issues, which are considered to be of interest to Korea, with a view to exploring negotiating strategies which could result in preferential treatment for Korean exporters regarding trade remedy investigations.

Recognizing the general FTA policy that an FTA shall be WTO plus, we will analyze EU trade remedy regulations in comparison with the relevant WTO rules. Then, we will make recommendations which Korean government could utilize during its FTA negotiations with EU. Our analysis is organized as follows. Section II will analyze the lesser duty rules. Section III will examine the public interest rules. Section IV will analyze the review provisions. Section V will discuss other issues. Then, in Section VI, we conclude with recommendations for Korea’s FTA negotiating strategies concerning trade remedies.

1) The terms of ‘countervailing measures’ and ‘anti-subsidy measures’ are interchangeably used.