

**P7\_TA(2011)0061**

**Bilateral safeguard clause in the EU-Korea Free Trade Agreement \*\*\*I**

**European Parliament legislative resolution of 17 February 2011 on the proposal for a regulation of the European Parliament and of the Council implementing the bilateral safeguard clause of the EU-Korea Free Trade Agreement (COM(2010)0049 – C7-0025/2010 – 2010/0032(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2010)0049),
  - having regard to Article 294 and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0025/2010),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the undertaking given by the Council representative by letter of 22 December 2010 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade (A7-0210/2010),
1. Adopts its position at first reading hereinafter set out<sup>1</sup>;
  2. Approves the joint statement by Parliament and the Commission annexed to this resolution;
  3. Takes note of the Commission statement annexed to this resolution;
  4. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
  5. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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<sup>1</sup> This position replaces the amendments adopted on 7 September 2010 (Texts adopted, P7\_TA(2010)0301).

**P7\_TC1-COD(2010)0032**

**Position of the European Parliament adopted at first reading on 17 February 2011 with a view to the adoption of Regulation (EU) No .../2011 of the European Parliament and of the Council implementing the bilateral safeguard clause of the Free Trade Agreement between the European Union and its Member States and the Republic of Korea**

*(As an agreement was reached between Parliament and Council, Parliament's position corresponds to the final legislative act, Regulation (EU) No 511/2011)*

### Commission Statement

The Commission welcomes the first reading agreement between the European Parliament and the Council on the Safeguards Regulation.

As envisaged in the Regulation, the Commission will present a yearly report to the European Parliament and Council on the implementation of the EU-Korea FTA and will be ready to discuss with the responsible committee of the European Parliament any issues arising from the implementation of the Agreement.

In this connection, the Commission wishes to note the following:

- a) The Commission will monitor closely the implementation by Korea of its commitments on regulatory issues, including in particular the commitments relating to technical regulations in the car sector. The monitoring shall include all aspects of non-tariff barriers and its results shall be documented and reported to the European Parliament and the Council.
- b) The Commission will also attach particular importance to the effective implementation of commitments on labour and environment of Chapter 13 of the FTA (Trade and Sustainable Development). In this connection, the Commission will seek the advice of the Domestic Advisory Group, which will include representatives of business organisations, trade unions and non governmental organisations. The implementation of the Chapter 13 of the FTA shall be duly documented and reported to the European Parliament and the Council.

The Commission agrees also on the importance of providing effective protection in the case of sudden surges of imports in sensitive sectors, including small cars. Monitoring of sensitive sectors shall include cars, textiles and consumer electronics. In this connection, the Commission notes that the small car sector can be considered a relevant market for the purpose of a safeguard investigation.

The Commission notes that the designation of outward processing zones in the Korean Peninsula, in accordance with the provisions of Article 12 of the Protocol of Rules of Origin, would require an international agreement between the Parties to which the European Parliament would have to give its consent. The Commission will keep the Parliament fully informed of the deliberations by the Committee on outward Processing Zones in the Korean Peninsula.

Finally, the Commission also notes that if due to exceptional circumstances it decides to extend the duration of the investigation pursuant to Article 5(3), it will ensure that such an extended timing does not go beyond the expiry date of any provisional measures introduced pursuant to Article 7.

**Joint Declaration**

The Commission and the European Parliament agree on the importance of close cooperation in monitoring the implementation of the EU-Korea Free Trade Agreement (FTA) and the Safeguard Regulation. Towards this end they agree on the following:

- In case the European Parliament adopts a recommendation to initiate a safeguard investigation, the Commission will carefully examine whether the conditions under the Regulation for ex-officio initiation are fulfilled. In case the Commission considers that the conditions are not fulfilled, it will present a report to the responsible committee of the European Parliament including an explanation of all the factors relevant to the initiation of such an investigation.
- Upon request by the responsible committee of the European Parliament, the Commission shall report to it on any specific concerns relating to the implementation by Korea of its commitments on non tariff measures or on Chapter 13 (Trade and Sustainable Development) of the FTA.