



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.03.1996

COM(96) 141 final

96/ 0098 (CNS)

Proposal for a

COUNCIL DECISION

concerning the conclusion of
the Framework Agreement for Trade and Cooperation
between the European Community and its Member States, of the one part,
and the Republic of Korea, of the other part

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. By means of a decision of 8 March 1995, the Council authorized the Commission to open negotiations for a framework agreement for trade and cooperation with the Republic of Korea and adopted negotiating directives to that end.
2. Two negotiating sessions took place in Brussels, the first on 11 May 1995 and the second on 12-13 October 1995. Further to consultations between the Commission and the Korean Government held at the end of November 1995 and contacts through diplomatic channels, the agreement was initialled in Brussels on 29 February 1996.
3. When the negotiating directives were adopted, the Council stipulated that it reserved the right to give its decision on the legal status of the Agreement once the negotiations would be completed. In line with the outcome of the discussion that took place in Council in December 1995 and January 1996 the agreement will be an agreement to which both the Community and Member States will be parties (a so-called mixed agreement). The Agreement is now being submitted to the Council to be signed and concluded.
4. The Commission considers that the Agreement initialed is in line with the negotiating directives adopted by the Council.
5. The Commission will examine whether the provisional application of certain provisions of this agreement is acceptable to the Korean side. If this were to be the case, the Commission will in due course seek the approval of an exchange of letters to that end.
6. In order to enable the framework agreement for trade and cooperation between the European Community and its Member States and the Republic of Korea to be signed and concluded, the Commission is proposing to the Council that it approve the attached draft decision.

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 73 c (2), 75, 84(2), 113, and 235 thereof, in conjunction with the second sentence of Article 228 (2) and the first subparagraph of paragraph 3 of thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having consulted the Economic and Social Committee,

Whereas the European Community should approve the Framework Agreement for Trade and Cooperation between the European Community and its Member States, of the one part, and the Republic of Korea, of the other part,

HAS DECIDED AS FOLLOWS:

Article 1

The Framework Agreement for Trade and Cooperation between the European Community and its Member States, of the one part, and the Republic of Korea, of the other part, is hereby approved on behalf of the European Community.

The text of the Agreement is attached to this Decision.

Article 2

The Commission, assisted by representatives of the Member States, shall represent the European Community in the Joint Committee provided for in Article 19 (3) of the Framework Agreement for Trade and Cooperation.

Article 3

The President of the Council shall give the notification provided for in Article 21 of the Agreement on behalf of the European Community.

Article 4

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,

For the Council
The President

(title)

**Framework Agreement for Trade and Cooperation
between the European Community and its Member States, on the one hand,
and the Republic of Korea on the other.**

(text)

THE EUROPEAN COMMUNITY,

and

THE KINGDOM OF BELGIUM,
THE KINGDOM OF DENMARK,
THE FEDERAL REPUBLIC OF GERMANY,
THE HELLENIC REPUBLIC,
THE KINGDOM OF SPAIN,
THE FRENCH REPUBLIC,
IRELAND,
THE ITALIAN REPUBLIC,
THE GRAND DUCHY OF LUXEMBOURG,
THE KINGDOM OF THE NETHERLANDS,
THE REPUBLIC OF AUSTRIA,
THE PORTUGUESE REPUBLIC,
THE REPUBLIC OF FINLAND,
THE KINGDOM OF SWEDEN,
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Parties to the Treaty establishing the European Community and the Treaty on European Union, hereinafter referred to as 'Member States',

on the one hand,

and

THE REPUBLIC OF KOREA,

on the other hand,

· *CONSIDERING* the traditional links of friendship between the Republic of Korea,
the European Community and its Member States;

REAFFIRMING the attachment of the Parties to democratic principles and fundamental human rights as laid down in the Universal Declaration on Human Rights;

CONFIRMING their desire to establish a regular political dialogue between the European Union and the Republic of Korea, based on shared values and aspirations;

RECOGNISING that the General Agreement on Tariffs and Trade has played a significant role to promote international trade in general and bilateral trade in particular, and that both the Republic of Korea and the European Community are equally committed to the principles of free trade and market economy on which that agreement is based;

REAFFIRMING that both the Republic of Korea, the European Community and its Member States have pledged to implement fully their commitments made by the ratification of the Agreement establishing the World Trade Organisation;

HAVING IN MIND the need to contribute to the full implementation of the results of the GATT Uruguay Round and the need to apply all rules governing international trade in a transparent and non-discriminatory manner;

RECOGNISING the importance of strengthening the existing relationship between the Parties with a view to enhancing co-operation between them, and their common will to consolidate, deepen and diversify their relations in areas of mutual interest on the basis of equality, non-discrimination, respect for the natural environment and mutual benefit;

DESIROUS of creating favourable conditions for sustainable growth and diversification of trade and for economic cooperation in various areas of mutual interest;

BELIEVING that it will be advantageous to the Parties to institutionalise relations and to establish economic cooperation between them, as such cooperation would encourage further development of trade and investment;

MINDFUL of the importance of facilitating the involvement in cooperation of the individuals and entities directly concerned, in particular economic operators and the bodies representing them;

HAVE DECIDED TO CONCLUDE THIS AGREEMENT AND TO THIS END HAVE DESIGNATED AS THEIR PLENIPOTENTIARIES

THE EUROPEAN COMMUNITY:

THE KINGDOM OF BELGIUM:

THE KINGDOM OF DENMARK:

THE FEDERAL REPUBLIC OF GERMANY:

THE HELLENIC REPUBLIC:

THE KINGDOM OF SPAIN:

THE FRENCH REPUBLIC:

IRELAND:

THE ITALIAN REPUBLIC:

THE GRAND DUCHY OF LUXEMBOURG:

THE KINGDOM OF THE NETHERLANDS:

THE REPUBLIC OF AUSTRIA:

THE PORTUGUESE REPUBLIC:

THE REPUBLIC OF FINLAND:

THE KINGDOM OF SWEDEN:

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:

THE REPUBLIC OF KOREA:

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

Article 1. Basis for Cooperation

Respect for democratic principles and human rights as defined in the Universal Declaration on Human Rights inspires the domestic and international policies of the Parties and constitutes an essential element of this Agreement.

Article 2. Aims of Cooperation

With a view to enhancing co-operation between them, the Parties undertake to promote further development of economic relations between them. Their efforts will in particular be aimed at:

- a. stepping up, establishing cooperation in and diversifying trade to their mutual advantage;
- b. establishing economic cooperation in fields of mutual interest, including scientific and technological cooperation and industrial cooperation;
- c. facilitating cooperation between businesses by facilitating investment on both sides and by promoting better mutual understanding.

Article 3. Political Dialogue

A regular political dialogue, based on shared values and aspirations, shall be established between the European Union and the Republic of Korea. This dialogue shall take place in accordance with the procedures agreed in the Joint Declaration between the European Union and the Republic of Korea on this subject.

Article 4. Most-favoured-nation Treatment

In accordance with their rights and obligations under the World Trade Organization, the Parties undertake to accord each other most-favoured-nation treatment.

Article 5. Trade Cooperation

1. The Parties undertake to promote the development and diversification of their reciprocal commercial exchanges to the highest possible level and to their mutual benefit.

The Parties undertake to achieve improved market access conditions. They will ensure that applied, most favoured nation customs duties are set, taking into account various elements, including the domestic market situation of one Party and the export interests of the other Party. They undertake to work towards the elimination of barriers to trade, in particular through the timely removal of non-tariff barriers and by taking measures to improve transparency, having regard to the work carried out by international organisations in this field.

2. The Parties shall take steps to conduct a policy aimed at:
 - a. multilateral and bilateral cooperation to address issues relating to the development of trade which are of interest to both sides, including the future proceedings of the WTO. To that end they shall cooperate at the international level and bilaterally in the solution of commercial problems of common interest;
 - b. promoting exchanges of information between economic operators and industrial cooperation between enterprises in order to diversify and increase existing flows of trade;
 - c. studying and recommending trade-promotion measures suitable for fostering the development of trade;
 - d. facilitating cooperation between the competent customs authorities of the European Community, its Member States and Korea;
 - e. improving market access for industrial, agricultural and fisheries products;
 - f. improving market access for services, such as financial services and telecommunications services;
 - g. strengthening cooperation in the fields of standards and technical regulations;
 - h. effectively protecting intellectual, industrial and commercial property;
 - i. organising trade and investment visits;
 - j. organising general and single industry trade fairs.
3. The Parties shall foster fair competition of economic activities through fully enforcing their relevant laws and regulations.
4. In accordance with their obligations under the WTO Government Procurement Agreement, the Parties shall ensure participation in procurement contracts on a non-discriminatory and reciprocal basis.

They will continue their discussions aimed at further mutual opening of their respective procurement markets in other sectors such as telecommunications procurement.

Article 6. Agriculture and Fisheries

1. The Parties agree to encourage cooperation in the fields of agriculture and fisheries, including horticulture and mariculture. On the basis of discussions about their respective agricultural and fisheries policies the Parties will study:
 - a. the possibilities for increased trade in agricultural products and fish products;
 - b. the effect on trade of sanitary and phytosanitary measures, and measures relating to the environment;
 - c. the links between agriculture and the rural environment;
 - d. research in the fields of agriculture and fisheries, including horticulture and mariculture.
2. As appropriate, the provisions of paragraph 1 of this Article apply to products and services in the related agricultural processing industry.

3. The Parties undertake to comply with the terms of the Agreement on Sanitary and Phytosanitary Measures of the WTO and are willing to enter into consultations, upon request of either of them, to discuss the proposals from the other Party on the application and the harmonisation of sanitary and phytosanitary measures, taking into consideration the standards agreed upon in other international organizations such as OIE, IPPC, and Codex Alimentarius.

Article 7. Maritime Transport

1. The Parties undertake to move towards the goal of unrestricted access to the international maritime market and traffic based on fair competition on a commercial basis, in accordance with the provisions of this Article.
 - (a) The above provision does not prejudice the rights and obligations arising from the United Nations Convention Code of Conduct for Liner Conferences as applicable to one or other Party to the present Agreement. Non-conference lines will be free to operate in competition with a conference as long as they adhere to the principle of fair competition on a commercial basis.
 - (b) The Parties affirm their commitment to build a fair and competitive environment for the dry and liquid bulk trade. In view of this commitment, the Republic of Korea will take necessary steps to phase out the existing cargo reservation of designated bulk commodities for Korean flag carriers over a transitional period, which will end on 31 December 1998.
2. In pursuit of the goal of paragraph 1, the Parties shall:
 - (a) abstain from introducing cargo sharing clauses into future bilateral agreements with third countries concerning dry and liquid bulk and liner trade, except where, in exceptional circumstances, with regard to liner trade, shipping companies from one or other Party to the present agreement would not otherwise have an effective opportunity to engage in trade to and from the third country concerned.
 - (b) abstain from implementing, upon entry into force of this Agreement, administrative and technical and legislative measures which could have the effect of discriminating between their own nationals or companies and those of the other Party in the supply of services in international maritime transport.
 - (c) grant no less favourable treatment for the ships operated by nationals or companies of the other Party, than that accorded to its own ships, with regard to access to ports open to international trade, the use of infrastructure and auxiliary maritime services of the ports, as well as related fees and charges, customs facilities and assignment of berths and facilities for loading and unloading.
3. For the purpose of this Article, access to the international maritime market shall include, inter alia, the right for international maritime transport providers of each Party to arrange door-to-door transport services involving a sea leg, and to this effect to

directly contract with local providers of transport modes other than maritime transport on the territory of the other Party without prejudice to applicable nationality restrictions concerning the carriage of goods and passengers by those other transport modes.

4. The provisions of this Article shall apply to European Community companies and Korean companies. Beneficiaries of the provisions of this Article shall be also shipping companies established outside the European Community or the Republic of Korea and controlled by nationals of a Member State or the Republic of Korea, if their vessels are registered in that Member State or in the Republic of Korea in accordance with their respective legislations.
5. The issue of the operations in the European Community and in the Republic of Korea of shipping agency activities shall be dealt with by specific agreements, where appropriate.

Article 8. Shipbuilding

1. The Parties agree to co-operate in the field of shipbuilding with a view to promoting fair and competitive market conditions and note the severe structural disequilibrium between supply and demand and the market trend which depress the world shipbuilding industry. For these reasons, the Parties shall not adopt any measure or take any action to support their shipbuilding industry which would distort competition or allow their shipbuilding industry to escape from any future difficult situation, in accordance with the OECD Agreement on Shipbuilding.
2. The Parties agree to enter into consultations upon a request from either Party regarding the implementation of the OECD Agreement on Shipbuilding, exchange of information on the development of the world market for ships and shipbuilding and on any other problem arising in this sector.
The representatives of the shipbuilding industry may be invited as observers to such consultations, upon agreement by the Parties.

Article 9. Intellectual, Industrial and Commercial Property Protection

1. The Parties undertake to ensure that adequate and effective protection is provided for intellectual, industrial and commercial property rights, including effective means of enforcing such rights.
2. The Parties agree to implement the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights not later than 1 July 1996.¹

¹ For the Republic of Korea with the exception of the Agrochemical Management Law which will enter into force as from 1 January 1997 and the Seedlings Industry Law (and Law on Protection of Geographical Indications) by 1 July 1998, subject to its legislative procedure.

3. The Parties confirm the importance they attach to the obligations contained in multilateral conventions for the protection of intellectual property rights. The Parties shall make efforts to accede as soon as practicable to the conventions in Annex to which they have not acceded.

Article 10. Technical Regulations, Standards and Conformity Assessment

1. Without prejudice to their international obligations, within the scope of their responsibilities and in accordance with their laws, the Parties will promote the use of internationally recognised standards and conformity assessment systems.

To that end, particular attention will be paid to:

- a. exchange of information and technical experts in the fields of standardisation, accreditation, metrology and certification, as well as joint research where appropriate;
 - b. promotion of interchange and contact between relevant bodies and institutions;
 - c. sectoral consultations;
 - d. cooperation in quality management activities;
 - e. strengthening cooperation in the fields of technical regulations, particularly by concluding an agreement for the mutual recognition of conformity assessment results, as a means of facilitating trade and avoiding any disruption prejudicial to its development;
 - f. participation and cooperation in the framework of the relevant international agreements with a view to promoting the adoption of harmonised standards.
2. The Parties shall ensure that standards and conformity assessment activities do not constitute unnecessary barriers to trade.

Article 11. Consultations

1. The Parties agree to promote the exchange of information concerning trade measures.

Each Party undertakes to inform the other in a timely manner of the application of measures which alter most-favoured-nation applied import duties which affect the exports of the other Party.

Either Party may request consultations on trade measures. Where such a request is made, the consultations shall take place at the earliest opportunity with a view to reaching a mutually acceptable, constructive solution as early as possible.

2. Each Party agrees to inform the other Party of the initiation of anti-dumping procedures against products of the other Party.

In full respect of the WTO Agreements on anti-dumping and anti-subsidy measures, the Parties shall afford sympathetic consideration to, and shall afford adequate

opportunity for consultation regarding representations made by either Party with respect to anti-dumping procedures and anti-subsidy procedures.

3. The Parties agree to consult each other on any disputes which may arise from the implementation of this Agreement. If either Party requests such consultation, it shall take place at the earliest opportunity. The Party making its request shall provide the other Party with all information necessary for a detailed examination of the situation. Attempts shall be made through such consultations to resolve trade disputes as rapidly as possible.
4. The provisions of this Article shall in no way prejudice the internal procedures of each Party for the adoption and modification of trade measures, or the notification, consultation and dispute settlement mechanisms foreseen under the WTO Agreements.

Article 12. Economic and Industrial Cooperation

1. The Parties, taking into account their mutual interest and their respective economic policies and objectives, shall foster economic and industrial cooperation in all fields deemed suitable by them.
2. The objectives of such cooperation shall be in particular:
 - to promote exchanges of information between economic operators, and develop and improve existing networks, while ensuring that personal data are suitably protected;
 - to bring about exchanges of information on the terms and conditions for cooperation in the field of all services as well as information infrastructures;
 - to promote mutually beneficial investment and establish a climate which favours investment;
 - to improve the economic environment and business climate.
3. As means to such ends, the Parties shall endeavour, inter alia:
 - a. to diversify and strengthen economic links between them;
 - b. to establish industry specific channels of cooperation;
 - c. to promote industrial cooperation between enterprises, in particular between small and medium sized enterprises;
 - d. to promote sustainable development of their economies;
 - e. to encourage ways of production which are not prejudicial to the environment;
 - f. to encourage the flow of investment and technology;
 - g. to increase mutual understanding and awareness of their respective business environments.

Article 13. Drugs and Money Laundering

1. The Parties shall cooperate in increasing the effectiveness and efficiency of policies and measures to counter the illicit production, supply and traffic of narcotic drugs and psychotropic substances, including the prevention of diversion of precursor chemicals, as well as in promoting drug demand prevention and reduction. The cooperation in this area shall be based on mutual consultation and close coordination between the Parties over the objectives and measures on the various drug-related fields.
2. The Parties agree on the necessity of making serious efforts and cooperating in order to prevent the use of their financial systems for laundering of proceeds from criminal activities in general and drug offenses in particular.

Co-operation in this area shall aim at establishing suitable standards against money laundering taking into consideration those adopted by international fora in this field, in particular the Financial Action Task Force (FATF).

Article 14. Cooperation in Science and Technology

1. In accordance with their mutual interest and the aims of their policies on science, the Parties undertake to promote cooperation in science and technology. To this end the Parties shall endeavour to encourage in particular:
 - the exchange of information and know-how in the field of science and technology;
 - dialogue about the elaboration and implementation of the respective research and technological development policies;
 - cooperation in the field of information technology, as well as in the technologies and industry affecting interoperability towards the global information society;
 - cooperation in the fields of energy and the protection of the environment;
 - cooperation in science and technology sectors of common interest.
2. With a view to attaining the aims of their respective policies, the Parties shall, inter alia, endeavour to:
 - exchange information on research projects in the fields of energy, protection of the environment, telecommunications and information technology, and information technology industry;
 - advance the training of scientists by appropriate means;
 - encourage technology transfer on the basis of mutual benefit;
 - jointly organise seminars bringing together senior scientists of both sides, and
 - encourage researchers from both Parties to conduct joint research in fields of mutual interest.
3. The Parties agree that all cooperation and joint actions in the field of science and technology take place on the basis of reciprocity.

The Parties agree to protect effectively the information and the intellectual property resulting from cooperation against any abuse or unauthorised use by others than the legitimate owners thereof.

In case of participation by institutions, bodies and undertakings of one of the Parties in specific research and technological development programmes of the other Party, such as those set up under the European Community's general framework programme, this participation and the dissemination and exploitation of knowledge obtained as a result thereof shall take place in accordance with the general rules laid down by that other Party.

4. The priorities for cooperation shall be decided through consultation between the Parties. Subject to the preceding paragraph, the participation of private sector institutions, bodies and undertakings in cooperation activities and specific research projects of common interest shall be encouraged.

Article 15. Cooperation in Environmental Matters

The Parties will establish cooperative relations seeking to protect and preserve the environment. This will take place through:

- exchanges of information on environmental policies and their implementation between relevant officials in the European Commission and the relevant authorities in the Republic of Korea;
- exchanges of information on environmentally sound technologies;
- exchanges of personnel;
- the promotion of co-operation on environmental matters being discussed in the international fora where the European Community and the Republic of Korea participate, particularly the UN Commission on Sustainable Development and other fora where international Conventions on the environment are debated;
- discussion on the pursuit of sustainable development practices and in particular, co-operation in the implementation of Agenda 21 and other follow-up activities from the UN Conference on Environment and Development (UNCED);
- cooperation on joint environmental projects.

Article 16. Energy

The Parties recognise the importance of the energy sector to economic and social development and are willing, within the scope of their respective competences, to enhance cooperation in this field. The objectives of such cooperation shall be:

- to promote the market-economy principle in setting consumer prices in accordance with market principles;
- to diversify energy supplies;
- to develop new and renewable forms of energy;
- to achieve rational use of energy, notably by promoting demand-side management; and
- to foster the best possible conditions for the transfer of technology in the interests of efficient energy use.

To these ends, the Parties agree to promote the conduct of joint studies and research, as well as contacts between those responsible for energy planning

Article 17. Cooperation in Culture, Information and Communication

The Parties undertake to establish cooperation in the fields of information and communication in order to promote better mutual understanding, taking account of the cultural dimension of relations between them

These measures shall take the form of, in particular:

- exchange of information on issues of common interest concerning culture and information,
- organisation of cultural events,
- cultural exchanges, and
- academic exchanges

Article 18. Cooperation in the Development of Third Countries

The Parties agree to exchange information on their development assistance policies with a view to establishing a regular dialogue on the objectives of these policies and on their respective development aid programmes in third countries. They will study to what extent more substantial cooperation is feasible, in accordance with their respective legislations and the conditions applicable to the implementation of these programmes.

Article 19. Joint Committee

1. The Parties shall establish under this Agreement a Joint Committee consisting of representatives of the members of the Council of the European Union and representatives of the Commission of the European Communities, on the one hand, and representatives of the Republic of Korea, on the other. Consultations shall be held in the Committee in order to facilitate the implementation and to further the general aims of the present Agreement.
2. The Joint Committee shall:
 - ensure that the agreement operates properly,
 - study the development of trade and cooperation between the two Parties,
 - seek appropriate methods of forestalling problems which might arise in areas covered by the Agreement,
 - seek ways of developing and diversifying trade,
 - exchange opinions and make suggestions on any issue of common interest relating to trade and cooperation, including future action and the resources available to carry it out,
 - make recommendations suitable for promoting the expansion of trade and cooperation, taking into account the need to coordinate the measures proposed.

3. The Joint Committee will normally meet once a year in Brussels and Seoul alternately. Special meetings of the Committee shall be held at the request of either Party. The Joint Committee shall be chaired alternately by each of the Parties.
4. The Joint Committee may set up specialised subcommittees in order to assist it in the performance of its tasks. These subcommittees shall make detailed reports of their activities to the Joint Committee at each of its meetings.

Article 20. Definition

For the purposes of the present Agreement, the term "the Parties" means the European Community or its Member States, or the European Community and its Member States, in accordance with their respective competences, on the one hand, and the Republic of Korea, on the other.

Article 21. Entry into Force and Duration

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the legal procedures necessary for this purpose.
2. This Agreement is concluded for a period of five years. It shall be tacitly renewed on a yearly basis unless one of the Parties denounces it in writing six months before the date of expiry.

Article 22. Notifications

The notifications made in accordance with Article 21 shall be made to the Secretariat-General of the Council of the European Union and the Ministry of Foreign Affairs of the Republic of Korea, respectively.

Article 23. Non-execution of this Agreement

If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures. Before doing so, except in circumstances of special urgency, it shall supply the other Party with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties. In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. These measures shall be notified immediately to the other Party and shall be the subject of consultations if the other Party so requests.

Article 24. Future Developments

The Parties may by mutual consent expand this Agreement with a view to enhancing the level of cooperation and add to it by means of agreements on specific sectors or activities.

With regard to the implementation of this Agreement, either of the Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its application.

Article 25. Declarations and Annex

The Joint Declarations and Annex to this Agreement shall form an integral part of this Agreement.

Article 26. Territorial Application

This Agreement shall apply, on the one hand, to the territory of the Republic of Korea and, on the other, to the territories in which the Treaty establishing the European Community is applied and under the conditions laid down in that Treaty.

Article 27. Authentic Texts

This Agreement is drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Korean languages, each text being equally authentic.

In witness whereof the undersigned Plenipotentiaries have signed this Framework Agreement.

Done at ... on the ...th day of ... in the year one thousand nine hundred and ninety-six.

FOR THE EUROPEAN COMMUNITY:

FOR THE KINGDOM OF BELGIUM:

FOR THE KINGDOM OF DENMARK:

FOR THE FEDERAL REPUBLIC OF GERMANY:

FOR THE HELLENIC REPUBLIC:

FOR THE KINGDOM OF SPAIN:

FOR THE FRENCH REPUBLIC:

FOR IRELAND:

FOR THE ITALIAN REPUBLIC:

FOR THE GRAND DUCHY OF LUXEMBOURG:

FOR THE KINGDOM OF THE NETHERLANDS:

FOR THE REPUBLIC OF AUSTRIA:

FOR THE PORTUGUESE REPUBLIC:

FOR THE REPUBLIC OF FINLAND:

FOR THE KINGDOM OF SWEDEN:

FOR THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:

FOR THE REPUBLIC OF KOREA:

Intellectual, Industrial and Commercial Property Conventions

- Berne Convention for the Protection of Literary and Artistic Works (Paris Act, 1971)
- International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome, 1961)
- Paris Convention for the Protection of Industrial Property (Stockholm Act, 1967, as amended in 1979)
- Patent Cooperation Treaty (Washington, 1970, as amended and modified in 1984)
- Madrid Agreement concerning the International Registration of Marks (Stockholm Act, 1967 and amended in 1979)
- Protocol relating to the Madrid Agreement concerning the International Registration of Marks (Madrid, 1989)
- Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Geneva, 1977, and amended in 1979)
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (1977, modified in 1980)
- International Convention for the Protection of New Varieties of Plants (UPOV) (Geneva Act, 1991)

JOINT DECLARATIONS

Joint Declaration concerning Article 7

Each Party shall allow the shipping companies of the other Party to have their commercial presence in its territory for the purpose of carrying out shipping agency activities under conditions of establishment and operation no less favourable than those accorded to its own companies or to subsidiaries or branches of companies of any third country, whichever is the better.

Joint Declaration concerning Article 9

The Parties agree that for the purpose of the Agreement, intellectual, industrial and commercial property includes in particular copyright, including the copyright in computer programmes, and neighbouring rights, the rights relating to patents, industrial designs, geographical indications, including designations of origin, trademarks and service marks, topographies of integrated circuits as well as protection against unfair competition as referred to in Article 10 bis of the Paris Convention for the Protection of Industrial Property and protection of undisclosed information on know-how.

Joint Interpretative Declaration concerning Article 23

- (a) The Parties agree, by common consent, for the purpose of its correct interpretation and its practical application that the terms 'circumstances of special urgency' included in Article 23 of the Agreement mean cases of material breach of the Agreement by one of the Parties. A material breach of the Agreement consists in
 - a. repudiation of the Agreement not sanctioned by the general rules of international law or
 - b. violation of the essential element of the Agreement set out in Article 1.
- (b) The Parties agree that 'appropriate measures' referred to in Article 23 are measures taken in accordance with international law.

UNILATERAL DECLARATIONS²

Declaration by the European Community concerning Article 8

The European Community expresses its concern with and attaches great importance to the problems which were created and are likely to be created by the current trend of expansion of shipbuilding capacity in the world market.

In this regard it wishes to recall the terms of the declaration it made in Paris on the occasion of the conclusion of the negotiations for the OECD Agreement on Shipbuilding on 21 December 1994, which remains entirely valid on this point.

The European Community invites the Republic of Korea to cooperate with the European Community and other signatories of the OECD Agreement on Shipbuilding in order to reduce the severe structural disequilibrium between supply and demand in the world shipbuilding market by appropriate means.

Declaration by the Republic of Korea concerning Article 7 (2)

The Republic of Korea declares that, regarding the provisions of paragraph 2 (a) of Article 7 (Maritime Transport), it will allow the introduction of cargo sharing clauses into future bilateral agreements with a certain third country concerning dry and liquid bulk trade, only in exceptional circumstances where Korea shipping companies could not otherwise engage in such trade to and from such third country.

² These declarations will be made on the occasion of the signature of the agreement.

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Implementation of the Framework Agreement for Trade and Cooperation between the EC and its Member States, on the one hand, and the Republic of Korea on the other. - Specific actions in the field of economic cooperation and cooperation activities of a general nature. These actions will take place in accordance with the EU Asia Strategy (COM (94) 314 final; in particular section 2.2).

2. BUDGET HEADING INVOLVED

Under the present structure of the budget, the expenditure could be charged against item B7-800 'Economic and commercial cooperation agreements with third countries'. This is subject to the outcome of the annual budget procedure.

3. LEGAL BASIS

Articles 113 and 235 of the EC Treaty

4. DESCRIPTION OF OPERATION

4.1. General objective

To promote the further development of economic relations with Korea under the Framework Agreement with Korea. This will in particular cover fields within the remit of DG I (trade cooperation, trade visits, promotion of contacts between economic operators, specific cooperation activities of a general nature).

4.2. Period covered and arrangements for renewal or extension

The Framework Agreement will enter into force for a period of five years, after which it will be tacitly renewable on an annual basis.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1. Compulsory/Non-compulsory expenditure

Non-compulsory expenditure

5.2. Differentiated/Non-differentiated appropriations

Differentiated appropriation

5.3. Type of revenue involved

Not applicable

6. TYPE OF EXPENDITURE OR REVENUE

- 100% grant (on an exceptional basis)
- Grant for cofinancing with other public- or private-sector sources (in particular the Korean Government).

7. FINANCIAL IMPACT

7.1. Method of calculating total cost of operation (definition of unit costs)

The Framework Agreement will be signed in 1996, and should therefore be implemented in 1997 and beyond.

The Framework Agreement is the first-ever general agreement with the Republic of Korea. Specific actions will therefore have to be financed from a new operational budget allocation. The Framework Agreement provides for economic cooperation in a number of fields, e.g. science and technology, industry, standards, environment, energy, culture. Whereas some of these activities may be covered by existing budget allocations (e.g. cooperation funds earmarked for the Fourth Framework Programme for Research and Technical Development, information budget allocated to DG X/ Delegation in Seoul), an additional allocation estimated at ECU 250 000 a year is likely to be necessary for these new cooperation initiatives.

The 1997 programme for cooperation with Korea should cover some or all of the following activities:

- a. meetings of an EU/Korea Forum, the creation of which was proposed by the EU/Korea Wisemen's Club in its November 1995 report,
- b. a conference aimed at promoting dialogue between Korean consumer groups and their European counterparts (in an effort to influence consumer perceptions of European products),
- c. a forum aimed at providing information on the possibilities for cooperation in the field of research and development (explanation of functioning of programmes on both sides etc.),
- d. the organisation of sectoral business forums in sectors of common interest with a view to encouraging cooperation between businesses on both sides (Korea has already proposed semiconductors and consumers electronics for 1996),
- e. a grant for the creation of a federation of associations of European companies exporting to Korea (to pave the way for the creation of an EU/Korea Chamber of Commerce),
- f. the creation of an 'EU-Korea Relationship Prize' the aim of which would be to encourage European media to give more and better

information on Korea and Korean media to give more and better information on the EU and its Member States (proposed by the EU/Korea Wisemen's Club in its November 1995 report).

- g. a participation in the costs of the organisation of specific trade and investment visits (in line with the principle of subsidiarity).

7.2. Itemised breakdown of cost (to the Community in ECU million)

Breakdown	1997	n + 1	n + 5 and subs. yrs	TOTAL
EU/Korea Forum	0.100				
Consumer conference	0.100				
Subsidies	0.050				
Total	0.250				

7.3. Indicative schedule of appropriations (ECU million)

	1997	1998	n + 5 and subs. yrs	TOTAL
Commitment appropriations	0.250				0.250
Payment appropriations					
1997	0.200				0.200
1998		0.050			0.050
.....					
n + 5 and subs. yrs					
TOTAL	0.200	0.050			0.250

8. FRAUD PREVENTION MEASURES; RESULTS OF MEASURES TAKEN

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific and quantified objectives; target population

EU/Korea Forum

The EU/Korea Forum would be a conference aimed at promoting cooperation between the business, media and academic communities on both sides under the aegis of the Korean Government and the European Commission. Representatives of these sectors should therefore participate. Specific meetings for one or more of the sectors could be an appropriate follow-up.

Participants should be selected with the help of Member States' authorities with a view to ensuring that the possibilities afforded by both EC and national cooperation are taken into account.

Conference on consumer protection

The conference on consumer protection would promote dialogue between Korean consumer groups and their European counterparts and would provide the former with reliable information on EC legislation in this field. The Koreans' perception of foreign products is derived from the austerity campaigns of the past. With a more liberal policy in place, it is essential that this false image of European products as being too expensive, dangerous and of poor quality be corrected.

9.2. Grounds for the operation

Implementation of the first Framework Agreement with Korea: development of economic cooperation with Korea.

9.3. Monitoring and evaluation of the operation

The Commission will carefully assess the effectiveness and impact of actions it organises with the Korean Government, prior to deciding on follow-up action.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

The mobilization of the administrative resources needed will depend on the Commission's annual decision on the allocation of resources in the light of the additional staffing and funding accorded by the Budgetary Authority.

10.1 Impact on the number of staff

Category		Staff assigned to manage the operation		Drawn from		Period
		Permanent posts	Temporary posts	Existing resources of the DG or service concerned	Additional resources	
Officials or temporary staff	A	1		1		indefinite
	B					
	C	1		1		indefinite
Other resources						
Total		2		2		

10.2 Overall financial impact of additional human resources

None.

10.3 Increase in other operating costs resulting from the operation

(ECU)

Budget item (No and title)	Amounts	Method of calculation
A-2510.11.01	p.m.	Annual meetings of the Joint Committee, meeting alternately in Brussels and Korea, involving only mission expenses for officials
A-1300.11.01	17 000	Brussels-Seoul return tickets for five officials plus daily allowances for five three-day stays in Seoul
Total	17 000	

NB: The sums represent annual expenditure for an indefinite period.

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