

The EU's Policy on the New Generation Free Trade Agreements

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Abstract

The promotion of Free Trade Agreements (FTAs) is an active policy among of the Common Commercial Policy (CCP) conducted by the European Union (EU). The EU has developed many different types of FTAs, and maintains a very complicated hierarchy in its external trade relations. The EU introduced a policy on the latest generation of FTAs on 3 October 2006. South Korea, India, Brazil and ASEAN are identified as priorities for new generation FTAs with the EU. The new generation FTAs are very comprehensive with regards to trade liberalization in a number of fields, including the elimination of tariff and non-tariff barriers, further liberalization in services, investment, competition, enforcement of intellectual property rights, and so on. Many of the EU's potential partners for new generation FTAs are major trade rivals of Taiwan in the EU market. This article takes the EU-Korea FTA as a case study to examine the following core issues: the historical background of the EU's trade policies, legal bases and decision-making procedures of new generation FTAs, the main contents and special features of the EU-Korea FTA, and the impacts of the EU-Korea FTA on the WTO and third countries. For the future development of EU FTA policy, this article also proposes an open regionalism approach to make the new generation FTAs compatible with the spirit of WTO multilateralism.

Key Words: EU, FTA, South Korea, the Treaty of Lisbon, WTO