



European Trade Union Federation of Textiles, Clothing and Leather

8 rue Joseph Stevens

1000 Brussels - Belgium

☎ : + 32 (0)2 511 54 77

Fax : + 32 (0)2 511 81 54

✉ : fse.thc@skynet.be

www.etuf-tcl.org

PRESS RELEASE

ETUF: TCL rises up in protesting against the EU – South Korea Free Trade Agreement

The European Trade Union Federation: Textiles, Clothing, Leather (ETUF: TCL)¹ considers that, in its present form, the proposal of Free Trade Agreement (FTA) between the European Union (EU) and the Republic of South Korea cannot be defended, in trade union, economic and social terms.

South Korea has not ratified any of the fundamental conventions of the International Labour Organisation (ILO) on trade union rights and “persists”² in repressing trade union rights (attacks, arrests, sentences and murders of trade union leaders). At a time when several voices are being raised, including within the World Trade Organisation (WTO), to consider that it is best to “flank” globalisation by including a “sustainable dimension,” so as to ensure at last a fairer distribution of its benefits, concluding this FTA is therefore not defensible on the EU side.

Besides, the FTA proposal introduces some departure from the EU standard rules of origin, by weakening them for allowing South Korean manufacturers to import higher amount of raw material and semi-products from neighbouring countries for being further processed into finished products Koreans will export to the EU, thereby effectively opening the door for cheap imports from China in particular, without giving similar advantages to Europeans industries. A severe precedent created that other Asian countries will not fail to invoke in order to get such a privilege.

Furthermore, the FTA proposal grants to Korea the so-called “duty drawback” clause, so as its manufacturers could claim the duties back that they paid on these semi-processed products, as soon as the finished products are exported - also duty-free - to Europe, with no reciprocity for the latter. Another precedent created which makes the agreement grossly unbalanced. ETUF: TCL is among the first to support the application of the Generalised System of Preferences (GSP), but considers that the so-called “duty drawback” clause granted to the Koreans, set a harmful precedent for future EU free trade agreements, which will have even more negative effects for our workers. Such a concession should be limited to the least developed countries (LDCs) and the “vulnerable” developing countries, which do not include Korea.

Today, TCL is the sector hardest hit in the EU by the economic and financial crisis (12% to 13% additional job losses in the first half of 2009 only, unfortunately far ahead other industries). By concluding such a free trade agreement with South Korea, the responsibility resting on Commission and EU Member States is huge, with not just few thousands, but tens of thousands of new job losses in several sectors in Europe, and even beyond, in the entire Pan-Euro-Mediterranean area.

¹ The European Trade Union Federation: Textiles, Clothing, Leather (ETUF: TCL) groups together 70 national federations in 36 countries of the Council of Europe and represents more than a million workers in these branches.

² Extract from the International Trade Union Confederation (ITUC) Annual Survey of Violations of Trade Union Rights 2008