

EU-S. Korea trade deal will bring £500m benefit to British business

With the EU set to agree a Free Trade Agreement with South Korea, the world's 13th largest economy, a new report has outlined the 100 most promising business opportunities for British firms, which are expected to benefit by £500 million on current trading patterns alone.

The report will be launched today by Lord Davies of Abersoch, Minister for Trade, Investment and Small Business, at an event in central London, jointly hosted by UK Trade & Investment (UKTI) and the Confederation of British Industry (CBI).

The report, commissioned by UKTI, outlines sector by sector the opportunities that the EU-South Korea Free Trade Agreement (FTA) will bring.

A key effect of the deal will be the elimination of 97% of all tariffs, many on the day the agreement comes into force, instantly helping businesses. This will cut €1.6 billion of duties annually for EU exporters.

The Korean clothing market is worth £10 billion and the UK fashion and luxury goods sector looks to be a certain winner, with tariffs dropped to zero on implementation.

Other sectors set to benefit when the barriers fall away include the drinks sector, legal and financial services, pharmaceuticals, advanced engineering and low carbon. Last year, South Korea set a target of 2020 for cutting emissions by 4% from 2005 levels and the Government has also committed to invest £50 billion in green initiatives under its Green Growth Plan. British companies specialising in carbon trading, solar photovoltaics and the carbon capture and storage market will be in demand.

Business Secretary Lord Mandelson, who visited South Korea in October, said: "British expertise, knowledge and know-how are much sought-after in South Korea. The UK is strong across many sectors, and the Free Trade Agreement will make it easier and cheaper for UK firms to do business in Asia's fourth largest economy."

CBI Director-General, Richard Lambert said:

"As this report highlights, there is huge potential for British companies selling goods and services to South Korea. UK firms need to be aware of such dynamic emerging economies.

"The FTA with South Korea is the most comprehensive agreement of its kind ever negotiated by the EU. It goes much further than World Trade Organisation commitments and eliminates 97 per cent of all tariff barriers within three years, many of these on day one. UK companies from areas as diverse as low carbon technologies and single malt whiskies stand to benefit."

Lord Davies, Richard Lambert and the new South Korean Ambassador to the UK, Choo Kyu-Hoo, will be speaking at the event, and they will be joined by over 150 business representatives eager to break into the South Korean market and to see how UKTI can help them grow their business.

Lord Davies said:

"These are exciting times for UK and South Korean business. The potential gains of a free trade deal for British exporters are huge and will revolutionise our trade

relations with Korea. The untapped potential is staggering. South Korea is home to 50 million people, many of them are wealthy, globally-aware consumers eager to snap up the latest fashions and products from around the world. It is also the country with the fastest broadband speeds. The possibilities are endless."

Last year, UK firms invested £1.2 billion in South Korea, more than any other European country. Standard Chartered, Burberry and Tesco are already household names in South Korea and many more British companies are expected to follow them once the FTA comes into effect.

Tesco Chairman David Reid will also be there to discuss how the supermarket giant cracked South Korea, the firm's biggest market outside the UK.

Today's launch event precedes a series of regional road shows for business across the UK organised by UKTI. For dates, locations and more information, please visit www.uktradeinvest.gov.uk

UK-Korea fact file

- o South Korea is Asia's fourth largest economy and the UK's 26th largest export market, with goods exports totalling £2 billion in 2009.
- o Diageo has taken top spot in South Korea's whisky market, taking nearly 40% of the South Korean whisky market (2009).
- o Tesco launched its South Korean operations in 1999 and partnered with Samsung. It now has 299 outlets and is the second largest retailer in South Korea. Top-selling items include instant noodles and bottled water.
- o In October 2009, Burberry announced that the UK and South Korea were again their best performing markets. Burberry has 11 stores in South Korea.
- o AMEC is project manager on building the Incheon Bridge, which is the longest in South Korea. The bridge was opened to traffic in October 2009.

Operational note for journalists:

The event will take place at BIS, 1 Victoria Street, Conference Centre, London SW1H 0ET on Monday 15 March starting at 12pm.

Lord Davies, Richard Lambert and the Korean Ambassador will be available to take questions from journalists after their keynote speeches at 1.30pm.

Please contact Katherine Riviere, Press Officer, UKTI on 0207 215 8473 or email Katherine.riviere@bis.gsi.gov.uk if you wish to register for the event or to request a copy of the report.

Notes to Editors

UK Trade & Investment (UKTI) is the government organisation that helps UK-based companies succeed in the global economy. We also help overseas companies bring their high quality investment to the UK's economy – acknowledged as Europe's best place from which to succeed in global business. UKTI offers expertise and contacts through its extensive network of specialists in the UK, and in British embassies and other diplomatic offices around the world.

We provide companies with the tools they require to be competitive on the world stage. For more information please visit www.uktradeinvest.gov.uk or telephone +44 (0)20 7215 8000. For latest press releases, visit the online newsroom at www.newsroom.uktradeinvest.gov.uk.

The CBI is the UK's leading business organisation, speaking for some 240,000 businesses that together employ around a third of the private sector workforce. With offices across the UK as well as representation in Brussels, Washington, Beijing and Delhi the CBI communicates the British business voice around the world. Contact the CBI Press Office on 020 7395 8239 or out of hours pager on 07623 977854.

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