



Mr. José Manuel Barroso  
President  
European Commission

B-1049 Brussels

June 29, 2009

Dear President Barroso,

As an alliance of 12 major European sector associations in the field of mechanical engineering, we would like to support the European Commission in the ongoing negotiations for a bilateral Free Trade Agreement (FTA) with South Korea. We strongly believe this agreement will contribute significantly to reduce market access barriers and to increase our exports to South Korea.

Altogether, we represent more than 12,950 European mechanical engineering companies. With approximately 1.2 million employees and a total turnover of about 171 billion euro, our industries represent important employers and leading sectors of the European economy.

After India and China the import duty level of South Korea is the third highest in Asia with an average of 8 percent for European products of the mechanical engineering sector. Therefore, it is in the interest of the machinery sector to eliminate the tariffs on EU machinery as soon as possible. Tariff eliminations would certainly lead to a significant increase of European machinery exports to South Korea. An offensive strategy should thus be followed.

Furthermore, we request uniform rules of origin in all EU free trade agreements currently under negotiation in order to reduce the bureaucratic burden for the small and medium-sized companies of our industrial sectors. There is no reason to establish new rules of origin. It is rather important to base on already existing EU standard rules. We agree with the Commission's approach on the subject of rules of origin in general. However, the wishes of the Korean side with regard to the permitted proportion of third-country content (55 to 60 percent) in Chapter 84ff are excessive. A compromise could be the rules agreed in the Korea-EFTA Agreement (50 percent). We see this approach as a bargaining chip for the Commission with South Korea, in particular to reach concessions on customs duties eliminations.

The Korean side wants to remove the duty drawback ban. There are no significant disadvantages for the European mechanical engineering industry from dropping this ban.

The FTA with South Korea would definitely strengthen Europe as a manufacturing base and the mechanical engineering industry in particular. Furthermore, it would create a level playing field and thereby also strengthen the competitiveness of European manufacturers in the Korean market against Japanese, Chinese and US competitors.

For these reasons, we kindly ask the European Commission to take our points into consideration when further negotiating with South Korea. We remain available for any additional information you or your services may request.

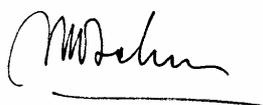
Yours sincerely,



Javier Eguren, President of CECIMO  
(Comité Européen de Coopération des  
Industries de la Machine-Outil)



Vincent van der Wel, President of CECIP  
(Comité Européen des Constructeurs  
d'Instruments de Pesage)



Michel Debier, President of CECOF  
(Comité Européen des Constructeurs de Fours  
et d'Equipements Thermiques Industriels)



Federico Corradini, President of CEMA  
(Comité Européen des Groupements de  
Constructeurs du Machinisme Agricole)



Gabriele Galante, President of CEMAFON  
(Comité Européen des Matériels et Produits  
pour la Fonderie)



Etienne Piot, President of CETOP  
(Comité Européen des Transmissions  
Oléohydrauliques et Pneumatiques)



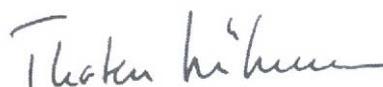
Alessandro Torsoli, President of EFAC  
(European Factory Automation Committee)



Dr. Mats Gökstorp, President of EMVA  
(European Machinery Vision Association)



Diether Klingelberg, President of EUnited  
(European Engineering Industries  
Association)



Thorsten Kühmann, Secretary General of EUROMAP  
(European Plastics and Rubber Machinery)



Georges Roobaert, President of Eurotrans  
(European Committee for Power  
Transmission Engineering)



Wolfgang Mildner, President of OE-A  
(Organic Electronics Association)