

## Press Release

### *For Immediate Release*

Seoul, Korea – September 29, 2021

### **ECCK holds virtual press conference for the launch of 'ECCK White Paper 2021'**

ECCK held a virtual press conference on September 29 for the publication of the ECCK white paper for 2021, which contains recommendations of European companies regarding the Korean business environment.

ECCK explained the continuing economic challenges and opportunities faced by the European companies in Korea due to the COVID-19 outbreak and discussed the regulatory and structural challenges still remaining in the Korean market. The Chamber shared 114 recommendations and regulatory issues across 16 industries, including automotive, beer, wine & spirits (BWS), chemical, environment, food, healthcare, etc. included in the white paper.

The press conference was attended by **Dirk Lukat**, ECCK Chairperson and CEO of Schenker Korea, **Christoph Heider**, ECCK President, **H.E. Maria Castillo-Fernandez**, Ambassador of the European Union to the Republic of Korea, as well as chairpersons of ECCK industry committees including **Andrew Hongjoong Kim**, ECCK Passenger Vehicles Committee Chairperson, **Gang-Serk Park**, ECCK Heavy Duty Commercial Vehicles Committee Chairperson, **Matthew Holmes**, ECCK Beer, Wine & Spirits Committee Chairperson and Representative Director of AE Brands Korea, **Sukhee Cho**, ECCK Chemical Committee Chairperson, **Karsten Kuehme**, ECCK Food Committee Chairperson and CEO of Nestlé Korea, **Erwan Vilfeu**, ECCK Healthcare Committee Chairperson and President of Zuellig Pharma Korea, **Frederic Lukas**, ECCK Energy & Environment Working Group Chairperson to discuss the position of the European companies in Korea.

The press conference opened with welcoming remarks by ECCK Chairperson **Dirk Lukat**, "Even though the global pandemic continued into this year, Korea has showed its economic strength. Particularly the GDP growth of around 4% this year proofs of a turnaround, which is also reflected in the goods export numbers from Korea."

Chairperson Lukat stated the importance of the government creating a consistent and foreseeable business environment to attract and maintain long term investments. "There are still many cases in Korea where rules and regulations that affect foreign and domestic businesses, change too quickly without adequate input from stakeholders. Moreover, in many instances, the new policies lack the adequate evaluation on whether they will have the desired effect without unintended consequences," he continued.

Following the opening remarks, **H.E. Maria Castillo-Fernandez**, Ambassador of European Union to Republic of Korea, delivered congratulatory remarks in which she recognized ECCK's role as a communication channel between the Korean and European government. Ambassador also emphasized the strong synergies between the EU and Korea especially sharing the same green agenda within digitization and greening of the economy.

"We celebrated this year the 10-year anniversary of the entry into force of the EU-Korea FTA, which is a win-win deal. EU-Korea bilateral trade of goods reached around 90 billion EUR in 2020," added Ambassador. "For Korea, the EU is a large, stable, reliable, like-minded trade partner. The EU and Korea share similar views about global trade that we oppose protectionism and support the multilateral, rules-based system."

The presentation of the key issues and recommendations of ECCK White Paper 2021 started off with ECCK President **Christoph Heider**. President Heider stressed the COVID-19 related rules to ease for foreign residents including acceptance of vaccination certificates issued overseas and freedom to move.

In addition, President Heider emphasized the importance of international standardization. "This is extremely important; not only for us as foreign business but also for Korean companies. Sticking to local standards means for foreign companies increased cost to bring products and services to the Korean market and therewith for Korean consumers in general higher prices. Or in the worst case that products even cannot be made available."

ECCK Passenger Vehicles Committee Chairperson **Andrew Hongjoong Kim** said, "To ensure stable supply of electric vehicles and other eco-friendly vehicles into Korea, Passenger Vehicle Committee has recommended that any significant changes in conditions for EV subsidy provision should be made with sufficient lead time. It has also recommended to simplify the administrative recognition process of eco-friendly vehicles."

Furthermore, ECCK Heavy Duty Commercial Vehicles Committee Chairperson **Gang-Serk Park** added "The current Korean safety regulation stipulates that the width of a motor vehicle cannot exceed 2.50 meters. If 2.55 m width is acceptable in Korea considering to flexibility of road width conditions, it will be very helpful to introduce environment-friendly vehicles the earliest opportunity in Korea, such as electric trucks and buses."

ECCK Beer, Wine & Spirits Committee Chairperson and Representative Director of AE Brands Korea **Matthew Holmes** said, "Full alcoholic beverage e-commerce is permitted in many markets around the world. Among the member-economies of the Organization for Economic Cooperation and Development (OECD), only South Korea and one other country prohibit the online sale and delivery of alcohol. The committee encourages

ongoing engagement and discussion between the relevant regulatory bodies and industry in order to identify a solution for full e-commerce access for alcoholic beverages, with appropriate systems put in place to ensure age verification and responsible service of alcohol."

ECCK Chemical Committee Chairperson **Sukhee Cho** said, "The government's active support and deregulations are necessary to encourage the smooth implementation and compliance of chemical regulations amid economic difficulties due to COVID-19 pandemic. Therefore, communications and transparency as to internationally agreed trade regulatory environment must be enhanced and in order to maintain the sustainable development of the chemical industry based on the Sustainable Development Goals (SDGs), all the duplicated matters between the Chemicals Control Act and other environmental and safety laws must be consolidated and conflicting provisions should be rectified."

ECCK Food Committee Chairperson and CEO of Nestlé Korea **Karsten Kuehme** said, "If some food regulations including those related to 'Natural' food labeling were alleviated to harmonize with international standards practiced in and by the EU, US, CODEX or ISO, it would contribute to taking burden off the whole industry and let consumers enjoy more options to choose among various packaged foods in the market."

ECCK Healthcare Committee Chairperson and President of Zuellig Pharma Korea **Erwan Vilfeu** delivered, "During the COVID-19 pandemic crisis, governments and pharmaceutical manufacturers joined forces successfully on fast vaccine development and approval. There are raising concerns that the pandemic could generate long-term impact on the general population suffering from non-COVID conditions and further cooperation needs to be encouraged in multiple areas of drug development to allow faster access to innovative drugs for vulnerable patients."

ECCK Energy & Environment Working Group Chairperson **Frederic Lucas** said the working group expects a closer cooperation with Korean administrations compared with last year, "Less restrictive regulations related to Energy, and the recognition or even the alignment of product certifications from EU would benefit to both European and Korean firms, and would be consistent with support Korea's commitments toward carbon neutrality."

KOTRA Foreign Investment Ombudsman responded to the review results by discussing 145 issues of the 2020 white paper suggested by ECCK with relevant ministries and reviewed more than 30% of them affirmatively. ECCK will continue to forge stronger, collaborative relationship with the Korean government to further improve the business environment for foreign invested companies in Korea.

Established in 2012, ECCK is a business association of European companies doing business in Korea. Representing the common voice of the European business community, the ECCK provides its members with information, communication, and access pertaining to the business and regulatory environment of Korea. Today, the Chamber consists of 370 active member companies employing 50,000 people.

## About ECCK White Paper 2021

ECCK White Paper 2021 contains 114 key industry issues across 16 different sectors, including Automotive, Beer, Wine & Spirits (BWS), Chemical, Cosmetics, Fashion & Retail, Food, Healthcare, Insurance, Intellectual Property Rights (IPR), Kitchen & Home Appliances, Logistics & Transport, Marine & Shipbuilding, Aerospace & Defense, Energy & Environment, ICT and Taxation. Key issues and recommendations are compiled by 200 industry experts from ECCK Committee and Working Groups nominated by the Chamber's 370 member companies and edited by the dedicated staff from ECCK Secretariat.

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*The European Chamber of Commerce in Korea (ECCK) is an association of European companies doing business in Korea. Representing the common voice of the European business community, the ECCK provides its members with information, communication, and access pertaining to the business and regulatory environment of Korea.*

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