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Abstract

Trade Effects of the EU–Korea Free Trade Agreement: A Comparative Analysis of Expected and Observed Outcomes

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Trade policy is being increasingly scrutinized by various stakeholders, and trade has become a contentious issue in the general public debate. Some observers claim that estimated positive impacts of free trade agreements (FTAs) are exaggerated and that effects of FTAs are rather more likely to be negative. But relatively few ex post assessments of EU FTAs have been carried out to shed light on the issue. Against this background, the present short article compares the economic assessment of the negotiated outcome of the EU–Korea FTA with observed data. Our results point to sound projections against observed data at the aggregate level and in the largest sectors, such as machinery, as opposed to trade in less important sectors.

Keywords: EU, ex post, FTA, Korea