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EU ends trade barrier investigation after Korea commits to changing cosmetics rules

On Saturday 20 September 2008 the EU announced that it would terminate a long-running investigation into burdensome rules for imported cosmetics in Korea, after Korea committed to changing various rules and practices affecting imported cosmetics. As a result, the administrative burden placed on importers of cosmetics into Korea will be significantly reduced. Korea is an important market for EU cosmetics companies.

The Trade Barriers Regulation (TBR) investigation was initiated in 1998 following a complaint by the European Cosmetic, Toiletry and Perfumery Association (COLIPA). This investigation concluded in 1999 that Korea's rules for licensing cosmetic imported into Korea were discriminatory and excessively burdensome. An agreement on the elimination of the testing of imported cosmetics was reached between the European Commission and the Korean authorities through an exchange of letters in July 1999.

In 1999 Korea adopted new legislation on cosmetics introducing a new category of 'functional cosmetics' covering products with an anti-wrinkle, sun protection or whitening function. The European Commission suspended the TBR investigation in 2001 in order to monitor the functioning and administration of these new rules. Monitoring concluded that the new regime was also too burdensome and potentially trade restrictive. Although further progress in addressing the remaining trade barriers was made through two consecutive revisions of the regulation of functional cosmetics in 2003 and 2004, some administrative barriers remained in place, notably those relating to the evaluation and monitoring in Korea of the efficacy of imported functional cosmetics.

Now, after lengthy work between Korea and market access officials from the European Commission, Korea has finally agreed on the removal of these remaining obstacles to imports and sale of EU cosmetics into Korea. The commitment came in an exchange of letters in July 2008 and will secure a fair access to the Korean market, one of our most significant export market for EU cosmetics with exports of € 235 million in 2007.

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