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## **- Korea and EU Expand Economic Cooperation in Advanced Technologies, Digital Trade, and Supply Chains-**

The Ministry of Trade, Industry and Resources (MOTIR, Minister JK Kim) announced that it held an investment declaration ceremony and a roundtable with European investors in Belgium on June 10, 2026, during President Lee Jae Myung's visit to the European Union (EU). Korea and the EU also formally signed the Korea–EU Digital Trade Agreement (DTA), marking key outcomes in trade, investment, and digital cooperation.

### **1. European High-Tech Firms Report USD 165 Million in FDI**

At the investment declaration ceremony co-hosted by MOTIR and the Korea Trade-Investment Promotion Agency (KOTRA), four European high-tech companies reported a combined USD 165 million in foreign direct investment in Korea.

Germany's Orafol plans to expand the factory of a Korean reflective film company it acquired in 2025 and use Korea as an export hub serving Asia-Pacific demand by combining its technology with the Korean company's global network, which spans more than 80 countries.

France's Quandela plans to expand R&D with Korean companies, universities, and research

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institutes and build Korea into an R&D and manufacturing base for photonic quantum computing. Dutch company Prodrive Technologies will establish its first Korean subsidiary to import and sell equipment modules for advanced industries, including semiconductors, and may later consider establishing a manufacturing base and R&D center as the business develops. Sweden's Mycronic plans to use Korea as a research base to advance display and semiconductor equipment technologies, including laser systems used to produce photomasks.

The investor roundtable that followed brought together Minister JK (Jung-Kwan) Kim; Kang Kyung Sung, President of KOTRA; Philippe van Hoof, Chairperson of the European Chamber of Commerce in Korea (ECCK); and representatives from six European companies and research institutes in areas including semiconductor materials, parts, and equipment, and quantum computing. Participants shared the view that investment cooperation among trusted partners, including Korea and Europe, has become more important as geopolitical tensions, growing protectionism, and rapid technological change make it difficult for any one country to respond alone. They also shared their business operations and future investment plans in Korea.

“Korea's competitive supply chains in advanced industries and its AI ecosystem will continue to create new opportunities for cooperation with European companies,” Minister JK Kim said.

“The government will support investment in Korea by expanding foreign investment incentives, improving the regulatory environment, and addressing difficulties that arise during the investment process.”

## **2. Formal Signing of the Korea–EU Digital Trade Agreement**

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Minister for Trade Yeo Han-koo of MOTIR and Maroš Šefčovič, European Commissioner for Trade and Economic Security, formally signed the Korea–EU DTA in the presence of the leaders of Korea and the EU. The agreement is Korea’s second bilateral digital trade agreement after Singapore and the first it has concluded with one of Korea’s top five trading partners. Building on the Korea–EU Free Trade Agreement, which entered into force in 2011, the DTA extends the two sides’ trade relationship into the digital field and provides an institutional basis for responding to the changing digital trade environment.

The EU, with its 27 member states and growing e-commerce market, has been seen as a promising next-generation export market for Korean companies, led by K-content. The standalone agreement consists of 42 articles. The two sides launched negotiations in October 2023, held seven formal rounds, and announced the conclusion of negotiations in March 2025.

The Korea–EU DTA is expected not only to further solidify digital trade cooperation between the two sides, but also to significantly reduce the time and costs that businesses on both sides have incurred in digital trade.

The Korea–EU DTA prohibits, in principle, the localization of computing facilities and data. That is, Korean companies entering the EU market will not necessarily need to add local data centers, and will be able to process data collected in the EU on servers in Korea, significantly easing the burden of establishing local servers.

By prohibiting requirements to transfer or provide access to source code as a condition for the

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import, export, distribution, or sale of software, the agreement ensures that source code—a key corporate asset and trade secret—can be institutionally protected. In addition, it strengthens the rights of consumers participating in e-commerce by preventing fraud and other harms that Korean consumers may encounter when engaging in e-commerce through EU platforms, ensuring that appropriate means of consumer redress are in place, and allowing consumers to refuse or consent to receiving spam messages from e-commerce companies and senders based in the EU. Furthermore, the two sides plan to strengthen the capacity of national authorities to respond to cybersecurity incidents and, when incidents occur, to respond jointly, swiftly, and effectively by drawing on each other's experience. By ensuring a safe trading environment grounded in consumer and business trust, the agreement is expected to broaden the base of e-commerce.

In the course of digital trade, the agreement recognizes the legal validity of electronic signatures and electronic authentication and calls for efforts toward enabling their mutual recognition, which is expected to dramatically reduce transaction costs between businesses. It is also expected to contribute to greater speed and efficiency in processing business-to-business transactions by promoting standardization and interoperability in areas such as electronic invoicing and electronic payments. In addition, it seeks to simplify administrative and customs procedures and reduce administrative costs by calling for efforts to use data-based documents and forms instead of paper in import, export, and related processes, and by enabling the various documents or data required for customs clearance to be submitted electronically through a single window.

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MOTIR will work with the EU to complete follow-up procedures as soon as possible so the agreement can support expanded e-commerce, digital content exports, and greater participation by SMEs and startups in digital trade.

### **3. Competitiveness Partnership and High-Level Economic Dialogue**

At the summit, Korea and the EU agreed to launch the Korea–EU Competitiveness Partnership, the highest-level economic cooperation initiative covering trade, investment, supply chains, digital cooperation, advanced technologies, energy, and innovation. They also agreed to establish a High-Level Economic Dialogue to coordinate existing channels in trade, industrial policy, and economic security, including the Korea–EU FTA Trade Committee, the Next-Generation Strategic Dialogue, and the Supply Chain and Industrial Policy Dialogue.

Through the new partnership and dialogue, the two sides expect to improve coordination among relevant ministries and create communication channels from the senior to working level. On this basis, they plan to discuss trade issues from a more mutually beneficial perspective and deepen cooperation on supply chains and critical minerals.

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