EU/Colombia and Peru Trade Agreement: accession of Ecuador. Protocol

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PURPOSE: to conclude the Protocol of Accession to the Trade Agreement between the European Union and its Member States, of the one part, and Colombia and Peru, of the other part, to take account of the Accession of Ecuador.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: on 19 January 2009, the Council authorised the Commission to negotiate a trade agreement on behalf of the Union with those Member Countries of the Andean Community (Bolivia, Colombia, Ecuador and Peru) which shared the aim to reach a balanced, ambitious, comprehensive and WTO-compatible agreement.

On 26 June 2012, the EU signed a Trade Agreement with Colombia and Peru. The Trade Agreement has been provisionally applied since 1 March 2013 for Peru and 1 August 2013 for Colombia.

On 17 July 2014, the Union and Ecuador concluded their negotiations on the Protocol to take account of the Accession of Ecuador to the Trade Agreement. The text of the Protocol was approved by the Trade Committee of the Trade Agreement at its meeting of 8 February 2016.

CONTENT: the proposal for a Council Decision constitutes the legal instrument for the **conclusion of the Protocol of Accession to the Trade Agreement** between the European Union and its Member States, on the one part, and Colombia and Peru on the other part, **to take account of the Accession of Ecuador**.

The Protocol in question establishes the necessary modifications to the Trade Agreement to take account of the accession of Ecuador. The Trade Agreement establishes the conditions for EU economic operators to take full advantage of the opportunities and the emerging complementarities between our respective economies:

- over the course of its implementation, the Agreement will fully **relieve EU exporters of industrial and fisheries products** to Ecuador from paying customs duties. In addition, it will allow for the dismantling of several important non-tariff barriers;
- Ecuador will benefit from substantial **new access to the EU market** in particular for their key agriculture export: bananas, and the EU will grant 100% duty-free coverage for fisheries of Ecuadorian origin and liberalise 99,9% of industrial tariff lines and 100% of industrial imports at entry into force;
- on **services and establishment as well as public procurement coverage**, the agreement matches the ambition of the Agreement with Colombia and Peru. It includes substantial commitments on all key sectors (notably financial services, telecommunications, transport) for cross-border supply and establishment in particular, while the EU's concerns in terms of temporary presence of natural persons for business purposes have been dealt with satisfactorily. In procurement, the EU has obtained the commitment of institutions at both central and sub-central level with appropriately low thresholds;

- the Agreement also establishes a set of **disciplines which go beyond those agreed in the multilateral framework**, notably on intellectual property (e.g. 116 EU geographical indications protected in Ecuador, data protection conditions clarified); sustainable development; competition; technical barriers to trade; Sanitary and Phytosanitary measures, etc;
- Ecuador will participate in the **Trade Committee** as well as in a set of sub-committees which allow for consultations on specific trade concerns under its different titles.

According to the Commission, the accession of Ecuador to the existing Trade Agreement with Colombia and Peru, which is a balanced, ambitious, comprehensive and WTO-compatible agreement, reinforces the legal framework of the EU trade relations with this country and facilitates reciprocal trade and investment. Moreover, accession to the Trade Agreement will provide an anchor for Ecuador's economic reforms and efforts to integrate the global economy and increase welfare.

BUDGETARY IMPLICATIONS: foregone duty is estimated to amount to **EUR 80 million** upon full implementation of the Agreement after ten years.