Negotiations of the modernisation of the trade pillar of the EU-Chile Association Agreement. Recommendations to the Council, the Commission and the EEAS

2017/2057(INI) - 14/09/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 488 votes to 67, with 83 abstentions, a recommendation from the European Parliament to the Council, the Commission and the European External Action Service on the negotiations on the modernisation of the trade pillar of the EU-Chile Association Agreement (AA).

As a reminder, the current association agreement, including its trade pillar, was concluded in 2002. It has been greatly beneficial to both parties since it entered into force in 2003, having doubled trade in goods and contributed to increasing trade in services and investment. In 2016, the EU exported goods to Chile to a value of more than EUR 8.6 billion, while Chile exported goods to the EU to a value of EUR 7.4 billion.

Parliament called on the EU and Chile to conclude a modern and ambitious trade agreement. This agreement should include a number of areas for fostering shared growth, equal opportunities, decent jobs and sustainable development, including the respect and promotion of labour and environmental standards and animal welfare and gender equality for the benefit of the citizens on both sides.

The resolution recommended, *inter alia*:

- placing common values at the heart of the modernisation process and continue to incorporate a **human rights clause**, as in all association agreements;
- maintaining the right of governments to regulate, in the **public interest**, such matters as the protection and promotion of public health, social services, social or consumer protection, public education, environment, public morality, protection of privacy and data, and the protection of cultural diversity;
- achieving a real improvement in market access in respect of **trade in goods**, while respecting that there are a number of sensitive agricultural, manufacturing and industrial products which should be given appropriate treatment, for example though tariff-rate quotas (TRQs);
- exploiting fully the potential of **trade in services**, audiovisual services should be excluded and explicit provision should be made for the modernisation of the agreement not to hinder the parties' ability to define, regulate, provide and support public services;
- including provisions on **good tax governance** and transparency standards that reaffirmed the parties' commitment to implementing international standards in the fight against tax fraud and evasion;
- making progress towards a necessary international reform of the **dispute settlement regime**; to seek a commitment by all parties to prioritise recourse to competent courts and replace investor-to-state dispute settlement (ISDS) with a public investment court system (ICS) with an appeal mechanism;
- including a chapter on trade and **sustainable development** that includes binding and enforceable obligations, subject to dispute settlement mechanisms. This chapter should cover, *inter alia*, the commitment of the parties to adopt in their national laws the principles enshrined in the core ILO conventions of the International Labour Organisation (ILO) as well as their commitment to implement the conventions on governance, the Decent Work Agenda, the Equal Opportunities Convention, labour standards for migrant workers and corporate social responsibility (CSR);

- ensuring that, as regards Chile's progress in bilateral trade negotiations with Uruguay and Canada, the parties include a specific chapter on trade and **gender equality and women's empowerment**;
- including a detailed chapter on **micro-enterprises and SMEs** foreseeing substantial progress in terms of trade facilitation, the elimination of trade barriers and unnecessary administrative burdens;
- including a chapter on energy that would cover, in particular, renewable energy and raw materials;
- accepting that negotiations should lead to binding provisions on the recognition and protection of all forms of **intellectual property rights**, including ambitious provisions on geographical indications.

Lastly, Members called on the Council, the Commission and the EEAS to ensure that the **European Parliament receives full, immediate and accurate information throughout the negotiations** for the purposes of its role of deciding whether or not to grant consent to the conclusion of the modernised AA with Chile, including the agreement's trade pillar.