

# Implementation of the trade agreement between the EU and Colombia and Peru

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The Committee on International Trade adopted an own-initiative report by Santiago FISAS AYXELÀ (EPP, ES) on the implementation of the Trade Agreement between the European Union and Colombia and Peru.

The report emphasised that the strategic values of the Agreement extend beyond the sphere of trade as it provides a solid foundation for a deeper relationship, with a long-term commitment to human rights, social rights, the rights of indigenous peoples and peasant farmers, and of the environment.

It underlined the opportunity that the Agreement offers to reinforce not only interregional, but also intraregional cooperation and trade between Colombia, Peru and Ecuador.

**Progress made:** Members welcomed the fact that the agreement:

- **opens markets** for, inter alia, goods, services, government procurement and investment, which when built upon the principles of sustainable development can create opportunities for formal and quality employment, and improved working conditions and living standards by liberalising and expanding trade and investment;
- has increased the Union's investment stocks in Colombia and Peru, the Union being the biggest foreign investor in both countries;
- supports service sector companies by promoting good regulatory practice and improving domestic regulation and transparency as well as legal certainty;
- has contributed to the modernisation and diversification of Colombian and Peruvian exports and has had a positive impact on Colombian and Peruvian SMEs (1 155 Colombian companies – of which 328 SMEs - and 2 328 new Peruvian companies – of which 90% SMEs - have started exporting to the Union). Further efforts would be required to diversify exports, which traditionally involve mineral, petroleum and agricultural products, which constitute 70% of the volume of exports;
- has led to a significant increase in EU agricultural exports to both countries since its provisional application. The Commission is invited to closely monitor the effects of the agreement on food production for the local market and to keep the European Parliament informed on this matter;
- has made progress in resolving trade disputes and implementing the provisions of the Agreement, in particular as regards sanitary and phytosanitary (SPS) matters, rules of origin and technical barriers to trade.

Members called on all parties to increase the rate of implementation of the agreement and to raise awareness of it.

**Prospects:** the report stressed that **further progress** is needed, particularly in the following areas:

- certification requirements for meat and dairy products,
- counterfeiting, piracy, usurpation of EU geographical indication (GI) names and pending Geographical Indication registration,
- discriminatory taxes applied to imported spirits;
- effective implementation of commitments on social and environmental matters,
- lack of transparency in administrative procedures.

Members also believe that the parties should make use of the **revision clause** of the Agreement to include, among others: (i) a comprehensive chapter on microenterprises and SMEs; (ii) a dedicated chapter on gender; (iii) a chapter on the fight against corruption, money laundering and tax evasion; (iv) a suitable dispute settlement mechanism for the trade and sustainable development.

The Commission is invited to use the agreement to monitor domestic reforms in the partner countries in relation to the **rule of law** and good governance and to come up with effective anti-corruption measures.

The report stressed the need to implement, effectively and through concrete action plans, specific provisions related to the roadmap for **human, labour and environmental rights**. It welcomed Peru's efforts and commitments to strengthen the implementation of its commitments under the trade and sustainable development chapter of the agreement, but called for further efforts to tackle violence against human rights defenders and leaders of social and ethnic communities, in particular violence against women.

Members strongly support the **peace agreement in Colombia** and reiterated the potential benefits and the need to make the best use of the agreement to contribute to the implementation of the peace agreement, including integrate land reform and the reconciliation process in Colombia.