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

2018/2010(INI) - 16/01/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 472 votes to 80 with 74 abstentions a resolution on the implementation of the Trade Agreement between the European Union and Colombia and Peru.

Parliament 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.

***Diversification***

Parliament pointed out that the Agreement has contributed to the modernisation and diversification of exports from Colombia and Peru and that it has had a positive impact on Colombian and Peruvian small and medium-sized enterprises (SMEs). However, it observed that **figures relating to volumes and job creation are very low**, and recalled that similar progress took place in previous periods. The Commission was asked to include the situation of the local industries and economic diversification in its future analysis. Members felt that more needs to be done in terms of diversification of exports away from traditional mineral, oil and agricultural products, which account for up to 70 % of exports by volume, and **towards the export of processed goods and products with greater added value**, to support economic development and job creation.

***Progress***

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;

- 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 legal certainty;

- 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 regarding **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***

Parliament 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 believed 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 (TSD) chapter including, among various enforcement methods, the **possibility of considering sanctions** as a deterrent measure to be used, as last resort, in the case of serious and persistent breaches.

Parliament noted that both countries have raised **specific concerns about their ability to meet certain food safety standards required for the EU market**, in particular as regards recent EU legislative proposals on **cadmium levels** in cacao, endocrine disruptors, novel foods and palm oil. This risks having a social impact in some of the countries' most vulnerable areas, where production of the affected products tends to be concentrated. The Commission was asked to consider accompanying and supporting measures to help local producers meet EU health requirements, in line with the precautionary principle. All parties should strengthen financial and technical cooperation and enhance early warning mechanisms.

Parliament went on to stress the need to implement specific provisions related to the roadmap for **human, labour and environmental rights**. It welcomed Peru's efforts 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 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 its implementation.