

EU/Chile Interim Agreement on Trade

2023/0259(NLE) - 29/01/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Samira RAFAELA (Renew, NL) on the draft Council decision on the conclusion of the Interim Agreement on Trade between the European Union and the Republic of Chile.

The committee responsible recommended that the European Parliament **give its consent** to the conclusion of the agreement.

As a reminder, the EU and Chile started negotiations on the modernisation of the agreement in 2017 to bring the agreement in line with the most advanced standards and unlock untapped potentials. The negotiations on the trade part were concluded at technical level in October 2021. The agreement in principle on the new EU-Chile Advanced Framework Agreement (AFA) and the Interim Agreement on Trade (ITA) was announced on 9 December 2022.

The modernisation of the existing EU-Chile Association Agreement provides for two parallel legal instruments:

- the **Advanced Framework Agreement** between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part, comprising: a) the political and cooperation pillar and b) the trade and investment pillar (including provisions on investment protection);
- and the **Interim Agreement on trade** between the European Union and the Republic of Chile, covering the liberalisation of trade and investment, which will cease to have effect and will be replaced by the Advanced Framework Agreement as soon as the latter enters into force.

Concerning **trade and investment**, the modernised agreement will allow both sides to strongly increase their bilateral trade and investment. The agreement will:

- liberalise 96% of the agricultural tariff lines not yet liberalised on Chile's side and 66% on the EU side, over a maximum of seven years, including existing tariff rate quotas for EU cheese and for Chilean processed cereals;
- provide additional market access in the form of increased duty-free quotas for poultry meat, pork, sheep meat, beef, garlic and canned fish from Chile. New such quotas for Chile will be opened for olive oil, fruit preparations and other items;
- protect 216 geographical indications (GIs) from the EU in Chile and 18 GIs from Chile in the EU.

The AFA also contains state-of-the-art chapters on investment and services, which ensure that European investors will be given the same treatment as Chilean ones when establishing and operating their businesses in Chile, and vice versa. The agreement safeguards the right of public authorities to regulate in the public interest. This includes the right to maintain public services such as education, healthcare and water, or to return privately provided services to the public sector. The agreement also includes a dedicated and stand-alone chapter on trade and gender, the first ever in an EU trade agreement.

The agreement will bring the EU-Chile trade and investment relationship in line with the most advanced standards in areas related to, among others, environmental protection, labour rights, gender equality and human rights and the rights of indigenous peoples. It will eliminate most of the remaining tariffs and create significant new opportunities for economic growth and sustainable development.