EU/Chile Interim Agreement on Trade

2023/0259(NLE) - 29/02/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 376 votes to 114, with 56 abstentions, a legislative resolution on the draft Council decision on the conclusion of the Interim Agreement on Trade between the European Union and the Republic of Chile.

Parliament **gave its consent** to the conclusion of the Agreement.

The existing Association Agreement has led to a significant increase in trade and investment volumes between the EU and Chile since its entry into application in 2003. However, trade and investment relations have remained below their potential in recent years, as both sides have concluded more advanced agreements with other partners in the meantime. As a result, the EU has changed from being Chile's first trading partner in 2003-2009 to third place (after China and the US) today.

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 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.