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A Step Forward in the EU-Ecuador Trade Talks

Representatives of the EU and Ecuador met last week (24-28 March) in Manta, Ecuador, to discuss the possibility for Ecuador to join the existing trade agreement between the EU and two other Andean countries, Colombia and Peru. This second round of talks took place in a constructive atmosphere and delivered good progress towards the conclusion of the deal.

Negotiators focused on four areas, all the same as during the first round in January: trade in goods, services, access to government tenders and protection of geographical indications. The chief negotiators discussed also some overarching issues such as the necessary changes to reflect the Ecuador's accession in the existing agreement.

The round brought results in all these areas and significantly reduced the number of open issues. Nevertheless, some important matters are still on the table.

The parties agreed to remain in contact as regards the dates and preparation of the third negotiating round.

Background

A comprehensive trade agreement signed in 2012 has been applying to trade with Peru since 1 March 2013 and with Colombia since 1 August 2013. The agreement opens up markets for European, Colombian and Peruvian exporters and could make them save in total more than €500 million per year. However, the most important gains in terms of increased trade and investment flows are expected to be produced thanks to a more stable business environment the agreement creates.

Negotiations for an Association Agreement with the Andean Community started in 2007. Ecuador decided to withdraw from the talks in 2009. Nonetheless, the EU and Ecuador maintained contacts to possibly resume the negotiations. After evaluating the overall balance and level of ambition of the final agreement reached with Colombia and Peru, Ecuador concluded that negotiations offered great potential to improve its trade and investment relation with the EU and develop further its economy. As a result, the first negotiating round took place between 13 and 17 January 2014.