



## **Report on the 4<sup>th</sup> round of negotiations between the EU and Chile for modernising the trade part of the EU-Chile Association Agreement**

Santiago de Chile, 1 – 5 April 2019

The fourth round of negotiations for the modernisation of the Trade part of the EU-Chile Association Agreement took place in Santiago from 1 to 5 April.

There was very good progress in a significant number of these chapters (e.g. SPS, TBT, GRP, CTF, Rules of Origin, SMEs, Services, Competition) with important progress on the text.

Other areas benefited from constructive discussions (e.g. Trade and Gender, Trade and Sustainable Development, Public Procurement, Trade and Defence Instruments) which will facilitate progress on the draft texts in future meetings.

On other issues, such as tariff offers for goods, Geographical Indications, Patents and regulatory data protection or Subsidies the parties engaged in exchanges of views allowing them to understand better their respective proposals.

Details:

### **1. Trade in Goods**

The negotiating teams exchanged tariff offers and continued to discuss the provisions of the Trade in Goods chapter, resulting in good progress on the outstanding provisions.

### **2. Rules of Origin**

The parties reviewed and exchanged views on the merged text for Section A (General provisions). On Section B (Origin procedures – claim and verification), the parties exchanged views for the first time on a consolidated draft version based on a self-certification scheme. Overall, good progress was achieved. There were also good discussions on the Product Specific Rules (PSR).

### **3. Customs and Trade Facilitation**

The negotiations made significant progress on the provisions on procedures for the Release of Goods, publication of customs-related information (Transparency), the availability of advance binding decisions from customs (Advance Rulings), and disciplines relating to customs Fees and Formalities. Certain issues, such as the provision on custom brokers will require further discussions.

Date: 17-04-19

Trade

#### **4. Technical Barriers to Trade**

The parties continued to make good progress on several of the provisions of the chapter, notably on those related to its objective and scope, technical regulations, standards (including international standards), transparency, conformity assessment, incorporation of certain provisions of the TBT Agreement and regulatory cooperation. Further discussions are needed on the conformity assessment provisions related to the use of suppliers' declaration of conformity and on marking and labelling.

#### **5. Sanitary and Phytosanitary Measures**

Fruitful discussions took place building upon the SPS text in the current Agreement. The aim is to extend the scope of the agreement to all SPS matters, and to integrate certain already existing procedures for exports approval and the extension of the scope of pre-listing.

#### **6. Cross border Trade in Services**

Constructive talks took place based on the shared approach to these issues, built on the work of both sides in TiSA. This resulted in progress on the provisions on national treatment, market access and non-conforming measures and on the use of a positive list for market access.

#### **7. Telecoms**

The parties made very good progress on the provisions related to Telecom services, where both sides share a common ambitious approach. This good progress translated in progress on the text on different provisions of the section. The exclusion of broadcasting transmission services and the inclusion of provisions on number portability, on the independence of the telecomm regulatory authority and on net neutrality will require additional discussions.

#### **8. Services - Mode IV**

There was significant progress based on the existing consolidated text. The EU and Chile share a common approach, but there are also some areas of discrepancy.

#### **9. Digital trade**

There was good progress during the round, based on the parties' shared goal to reach an ambitious outcome on digital trade. There was agreement on some provisions and preliminary agreement on others, where further internal consultations are necessary on both sides.

## **10. Intellectual Property Rights**

The parties discussed the textual proposals on IPR. These discussions covered copyright and related rights, patents, trade secrets, plant varieties and geographical indications for agricultural foodstuff products. The discussions also allowed the parties to further clarify and highlight relevant areas that will require further in-depth discussions. Progress was made on trade secrets and copyright and related rights. Chile issued the public consultation on the EU GIs list ahead of the round.

## **11. Public Procurement**

Discussions continued on the consolidated text, in particular on how to reflect existing international standards on public procurement in the future chapter. In this regard, the parties discussed how the proposed provisions that replicate commitments and obligations of the WTO Government Procurement Agreement, or build on it, are in line with their domestic legislation.

## **12. Trade and Gender**

There were constructive discussions on the Trade and Gender provisions. The parties identified many areas of commonalities, in particular, on those related to the objectives, to future cooperation and to the institutional arrangements. The parties also discussed the references to CEDAW (Convention on the Elimination of all forms of Discrimination against Women) and the 2030 Agenda.

## **13. Trade and Sustainable Development**

Detailed discussions took place on the text proposals for Trade and Sustainable Development and Trade and Labour as well as Trade and Environment. In general, there is a good deal of common ground, for instance with regard to fisheries and labour provisions, on some other issues the parties need to engage in further exchanges.

## **14. Good Regulatory Practices (GRP)**

There was a very good first exchange on the EU proposed text, resulting in a common understanding on the principles and objectives of the chapter. There was agreement on the articles on General Principles, Exchange of Information on Good Regulatory Practices and Exclusion of application of Dispute Settlement to this Chapter. The parties identified divergences of approach on the provisions on Early Information of Planned Regulatory Measures and Retrospective evaluation.

## **15. SMEs**

The negotiations on the SME chapter are well advanced and during the round the parties continued working on the text and cleaned some of the remaining brackets.

## **16. Energy and Raw Materials**

The parties continued to discuss the text proposals on Energy and Raw Materials, and exchanged information on their respective regulatory frameworks and market conditions for the mining and energy sectors. The parties identified shared approaches on the promotion of trade and investment of renewable energies and discussed their respective approaches on other issues such as export pricing, regulated pricing or the applicability of dispute settlement to the chapter.

## **17. State Owned Enterprises**

The parties continued to exchange views and clarifications to understand better each other's position. They agreed to conduct internal consultations and provide further clarifications, particularly in areas where more discussion is needed, such as the article on Non-discriminatory treatment and commercial considerations.

## **18. Competition**

There was good progress and provisional agreement on most parts of the text. For the outstanding issues, the Parties will consult internally and exchange information before the next round, notably on the mechanism for consultations on antitrust and mergers cases.

## **19. Subsidies**

The parties continued to have constructive discussions, exchanging information on the rationale for their different positions. Further discussions will be needed on the provisions on services subsidies and on the carving out of agricultural subsidies from the consultation provisions.

## **20. Transparency**

The parties discussed all articles of the proposed texts on Transparency, resulting in a common understanding of the principles and objectives of the Transparency chapter. Further work is needed from both Parties in order to reflect and consult on some provisions of the Chapter.

## **21. Trade Defence Instruments**

The negotiating teams continued to discuss their different approaches to the anti-dumping, anti-subsidy and global safeguards provisions. A higher degree of convergence exists on bilateral safeguards where they made progress. There are, however, elements such as the transition period, duration or re-application of measures that will require to be revisited at a later stage in the light of developments in the discussions on the Trade in Goods chapter.

## **22. State to state Dispute Settlement**

The parties discussed mediation, common provisions for mediation and dispute settlement, code of conduct for panellists and mediators and rules of procedures. The exchange allowed the parties to understand better their respective approaches and to find common ground on the majority of the provisions discussed.

## **23. Institutional and Final Provisions**

Discussions took place on the possible approach for the Institutional and Final provisions of the Trade part of the Association Agreement. The parties share the understanding that these provisions would need to be negotiated in the light of the evolution of the different chapters of the agreement.