

European Commission Directorate-General for Trade



Press release

ANDEAN COUNTRIES Brussels, 26 June 2012

EU signs comprehensive trade agreement with Colombia and Peru

The EU signed today an ambitious and comprehensive Trade Agreement with Colombia and Peru. EU Trade Commissioner Karel De Gucht signed the deal together with Danish Ambassador Jonas Bering Liisberg representing the Presidency of the Council of the EU, the Colombian Minister for Trade Sergio Díaz-Granados, and the Peruvian Minister for Foreign Trade José Luis Silva Martinot. Once fully implemented the Commission estimates that the trade deal will relieve EU exporters of €270 million in duties annually; it will further open up markets on both sides as well as increase the stability and predictability of the trading environment.

"I welcome today's signature of the Trade Agreement with Colombia and Peru, which creates a stable framework to boost trade and investment between the EU and the Andean region", said EU Trade Commissioner Karel De Gucht. "In times of economic crisis, increasing trade and investment is the way forward to create growth and jobs. The agreement establishes a foothold for European business in this rapidly growing area and an anchor for further structural reforms in both countries."

Danish Minister for Trade Pia Olsen Dyhr said: "International trade will in the future be one of the most important engines for growth and employment in Europe. The agreement signed today between the EU and Colombia and Peru promotes trade liberalisation through partnership and it is based solidly on the respect of democratic principles and human rights. I welcome the agreement as an excellent foundation for our evolving partnership with the two Andean countries."

The official text of the Trade Agreement was initialled between the European Commission, Colombia and Peru on 13 April 2011. Since then the text of the agreement has been translated into 21 EU languages and legally verified. All EU Member States are parties to the agreement and have already signed it ahead of today's official signing ceremony.

This signature allows for formal ratification procedures to kick off in the EU as well as in Colombia and Peru. The European Parliament (EP) will be the first to act by voting on consent this year while Member States' Parliaments are expected to adopt the text at a later stage. In the meantime, the Trade Agreement will be provisionally applied between the parties - provided EP consent is granted and ratification procedures are also concluded in Colombia and Peru.

Once fully implemented, the Agreement will eliminate tariffs in all industrial and fisheries products, increase market access for agricultural products, improve access to public procurement, services and investment markets, further reduce technical barriers to trade, and establish common disciplines including on intellectual property rights, transparency and competition.

The proposed deal also includes a far-reaching agreement on the protection of human rights and the rule of law as well as commitments to effectively implement international conventions on labour rights and environmental protection. Civil society organisations will be systematically involved to monitor the implementation of these commitments, which will also be subject to an arbitration system.

Key benefits of the agreement

1. The Agreement will open up market opportunities for a number of key export industries of the EU which will benefit from the removal of tariffs. For example it is worth over €33 million of tariff reductions for the automotive and car parts sector, around €16 million for chemicals and over €60 million for textiles. Other noticeable tariff reductions will be on pharmaceutical and telecommunication products.
2. The EU will open its market to exporters from Peru and Colombia by committing to an immediate liberalisation in industrial and fisheries products as well as substantial tariff concessions in agriculture. This is expected to have a direct impact on growth and jobs in these countries and contribute to the sustained move up the value chain of their economies.
3. The Agreement establishes a set of disciplines which go beyond those agreed in the multilateral framework on non-tariff barriers to market access, competition, transparency and intellectual property rights among others - allowing in particular for the protection of over 100 EU geographical indications on the Colombian and Peruvian markets.
4. The Agreement will promote internationally agreed best practices while securing a transparent, non-discriminatory and predictable environment for operators and investors via a mediation mechanism designed to address non-tariff barriers and - if necessary - an advanced bilateral dispute settlement mechanism.
5. The Agreement also includes a cooperation chapter aimed at promoting competitiveness and innovation; modernising production, facilitating trade and the transfer of technology between the Parties.
6. Finally, the Agreement provides for an accession clause which opens the door to the other countries that are members of the Andean Community of Nations to take part in the Agreement when they see fit.

Background

Bilateral trade in goods between the EU and both Colombia and Peru was €21.1 billion in 2011:

- The EU exported €5.0 billion to Colombia and imported € 6.9 billion.
- The EU exported €2.8 billion to Peru and imported € 6.4 billion.

Talks for a Trade Agreement were launched in January 2009 between the EU and Colombia, Ecuador and Peru. In July 2009, Ecuador suspended its participation in the talks. Nine rounds of negotiations took place between January 2009 and March 2010, when a successful conclusion was reached.

For more information

Full text of the Trade Agreement
MEMO: Summary of the benefits of the Agreement
On EU-ANDEAN trade relations

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