











Procedure file

Basic information		
NLE - Non-legislative enactments	2023/0259(NLE)	Procedure completed, awaiting publication in Official Journal
EU/Chile Interim Agreement on Trade		
Subject 6.20.03 Bilateral economic and trade agreements and relations 6.40.10 Relations with Latin America, Central America, Caribbean islands		
Geographical area Chile		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade	 RAFAELA Samira	19/07/2023
		Shadow rapporteur	
		 GARCÍA-MARGALLO Y MARFIL José Manuel	
		 MARQUES Margarida	
		 CAVAZZINI Anna	
		 BUCHHEIT Markus	
		 FRAGKOS Emmanouil	
		 SCHOLZ Helmut	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Agriculture and Rural Development	 GUERREIRO Francisco	19/09/2023
Council of the European Union European Commission	Commission DG Trade	Commissioner DOMBROVSKIS Valdis	

Key events			
05/07/2023	Preparatory document	COM(2023)0435	Summary

14/12/2023	Legislative proposal published	11667/2023	Summary
24/01/2024	Vote in committee		
25/01/2024	Committee referral announced in Parliament		
29/01/2024	Committee report tabled for plenary, 1st reading/single reading	A9-0011/2024	Summary
29/02/2024	Debate in Parliament		
29/02/2024	Decision by Parliament	T9-0113/2024	Summary
18/03/2024	Act adopted by Council after consultation of Parliament		

Technical information

Procedure reference	2023/0259(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the EU TFEU 207-p4; Treaty on the Functioning of the EU TFEU 218-p6a; Treaty on the Functioning of the EU TFEU 091-p1; Treaty on the Functioning of the EU TFEU 218-p7; Treaty on the Functioning of the EU TFEU 100-p2
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed, awaiting publication in Official Journal
Committee dossier	INTA/9/12532

Documentation gateway

Document attached to the procedure		COM(2023)0434	05/07/2023	EC	
Preparatory document		COM(2023)0435	05/07/2023	EC	Summary
Committee draft report		PE756.026	08/11/2023	EP	
Committee opinion	AGRI	PE753.797	08/12/2023	EP	
Legislative proposal		11667/2023	14/12/2023	CSL	Summary
Committee report tabled for plenary, 1st reading/single reading		A9-0011/2024	29/01/2024	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0113/2024	29/02/2024	EP	Summary

EU/Chile Interim Agreement on Trade

PURPOSE: to conclude, on behalf of the European Union, of the Interim Agreement on Trade (ITA) between the European Union and the Republic of Chile.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: on 13 November 2017, the Council authorised the Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations for a modernised agreement with Chile to replace the Association Agreement. On 9 December 2022, the negotiations between the European Union and Chile were successfully concluded.

The modernisation of the existing EU-Chile Association Agreement foresees 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, which includes a) the Political and Cooperation pillar and b) the Trade and Investment pillar (inclusive of investment protection provisions);

- and the Interim Agreement on Trade between the European Union and Republic of Chile, covering trade and investment liberalisation, which will cease to have effect and be replaced by the Advanced Framework Agreement upon entry into force of the latter.

A Joint Statement by the European Union and the Republic of Chile on the Provisions on Trade and Sustainable Development contained in the Interim Agreement on Trade between the European Union and the Republic of Chile is attached to the Agreement. The Agreement was signed, subject to its subsequent conclusion and the Joint Statement was endorsed on the same day.

It is now necessary for the Agreement and the Joint Statement attached to the Agreement should be approved on behalf of the Union.

CONTENT: the Commission proposes that the Council decide to approve on behalf of the Union, the Interim Agreement on Trade (ITA) between the European Union and the Republic of Chile.

The updated ITA:

- broadens the scope of the current bilateral trade framework and adjusts it to the new political and economic global challenges;
- creates a coherent, comprehensive, up-to-date legally binding framework for the EU's relations with Chile. It will foster trade and investment by contributing to the expansion and diversification of economic and trade relations;
- includes a civil society consultation mechanism extended to the whole Agreement to allow the civil society on both sides to be heard on all the provisions in the Agreement;
- improves market access for agricultural and fisheries exports and improved rules;
- incorporates the Agreement on Trade in Wines and the Agreement on Trade in Spirits and Aromatised Drinks;
- simplifies the Rules of Origin to take into consideration the need of industry, for example, for key industrial products such as cars or pharmaceuticals;
- simplifies border procedures;
- ensures fair trade and business conditions;
- includes a fully-fledged ambitious Trade and Sustainable Development chapter as well as a dedicated Chapter on Trade and Gender Equality;
- focuses on SMEs and encourages investment and innovation;
- ensures safe and sustainable trade in agri-food products.

Lastly, the proposal clarifies the institutional structure of the ITA which will be composed of a Trade Council, a Trade Committee and a number of Sub-Committees.

Budgetary implications

The ITA will have a limited negative impact on the EU budget in the form of elimination of customs duties due to tariff liberalisation. Indirect positive impacts are expected in terms of increases in resources linked to value added tax and gross national income.

EU/Chile Interim Agreement on Trade

PURPOSE: to conclude, on behalf of the European Union, the Interim Agreement on Trade (ITA) between the European Union and the Republic of Chile.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: in accordance with a Council Decision, the Interim Agreement on Trade between the European Union and the Republic of Chile was signed, subject to the conclusion of the Agreement at a later date.

In accordance with that Decision, the Joint Statement by the European Union and the Republic of Chile on the Provisions on Trade and Sustainable Development contained in the Interim Agreement on Trade between the European Union and the Republic of Chile, attached to the Agreement, was approved on behalf of the Union.

It is appropriate to authorise the Commission to approve on the Unions behalf certain modifications to the Agreement that are to be adopted by a simplified procedure and by a body set up by the Agreement. The Agreement does not confer rights or impose obligations on persons, other than those created between the Parties under public international law.

It is now necessary to approve the Agreement on behalf of the Union.

CONTENT: the purpose of the draft Council Decision is to approve on behalf of the Union, the Interim Agreement on Trade (ITA) between the European Union and the Republic of Chile.

The updated Interim Agreement on Trade:

- broadens the scope of the current bilateral trade framework and adjusts it to the new political and economic global challenges;
- creates a coherent, comprehensive, up-to-date legally binding framework for the EU's relations with Chile. It will foster trade and investment by contributing to the expansion and diversification of economic and trade relations;

- includes a civil society consultation mechanism extended to the whole Agreement to allow the civil society on both sides to be heard on all the provisions in the Agreement;
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- incorporates the Agreement on Trade in Wines and the Agreement on Trade in Spirits and Aromatised Drinks;
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- includes a fully-fledged ambitious Trade and Sustainable Development chapter as well as a dedicated Chapter on Trade and Gender Equality;
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Lastly, the proposal clarifies the institutional structure of the ITA which will be composed of a Trade Council, a Trade Committee and a number of Sub-Committees.

EU/Chile Interim Agreement on Trade

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.

EU/Chile Interim Agreement on Trade

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.

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- 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.