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amfori Insight

Overview of EU Trade Negotiations

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1. Overview of EU Trade Negotiations

The EU is currently negotiating preferential trade agreements with approx. 130 countries across the globe on bilateral, regional and multilateral levels. It also plans to launch talks with a number of other countries. This report highlights the main ongoing negotiations which are of relevance for amfori's members.

Introduction

Over 80% of our members are companies that are headquartered in Europe. The EU is the leading world economy that uses trade and economic relations to promote higher global standards for social, environmental and human rights issues – in particular via the TSD (trade and sustainable development) chapters within its trade agreements. Therefore, we believe that such agreements are the most appropriate instrument for promoting amfori's vision of trade that delivers social, economic and environmental progress for all.

Types of Agreements

There are many types of agreements that the EU concludes with other countries. Their main aim is to increase trade, but in recent years this has shifted to using this increased trade to supporting development and implementing reforms. The main types of agreements are the following:

- A **Free Trade Agreement (FTA)** is a treaty between two or more countries establishing a free trade area where commerce in goods and services can be conducted across their common borders, with lower or no tariffs.
- A **Customs Union** is an agreement between two or more (usually neighbouring) countries to remove trade barriers and reduce or eliminate customs duties on mutual trade. A customs union, unlike a free trade area, generally imposes a common external tariff for non-member countries and (unlike a common market) generally does not allow free movement of capital and labour among member countries.
- A **Deep and Comprehensive Free Trade Area (DCFTA)** is a free trade arrangement forming part of a wider political and security-oriented Association Agreement.¹ It grants the associated country access to the EU's internal market and vice versa. It further provides for removal of obstacles to trade in services and better access for companies to establish in the respective markets.
- A **Bilateral Investment Treaty (BIT) or Investment Agreement (IA)** establishes the terms and conditions for private investments by nationals and companies between the EU and the partner country.
- An **Economic Partnership Agreement (EPA)** is a scheme to create a free trade area between the European Union and African, Caribbean and Pacific group of states (ACP) which aims to help the partner countries develop through better access to the European Single Market and regional integration. However, due to various political and economic challenges, very few countries have ratified and put into force EPAs. For this reason, this overview does not cover EPA agreements.

¹ The EU concludes Association Agreements with third countries to set-up an all-embracing framework to conduct bilateral relations. These agreements normally provide for the progressive liberalisation of trade conditioned on the implementation of sector specific reforms in the country relating to social, economic and environmental reforms.

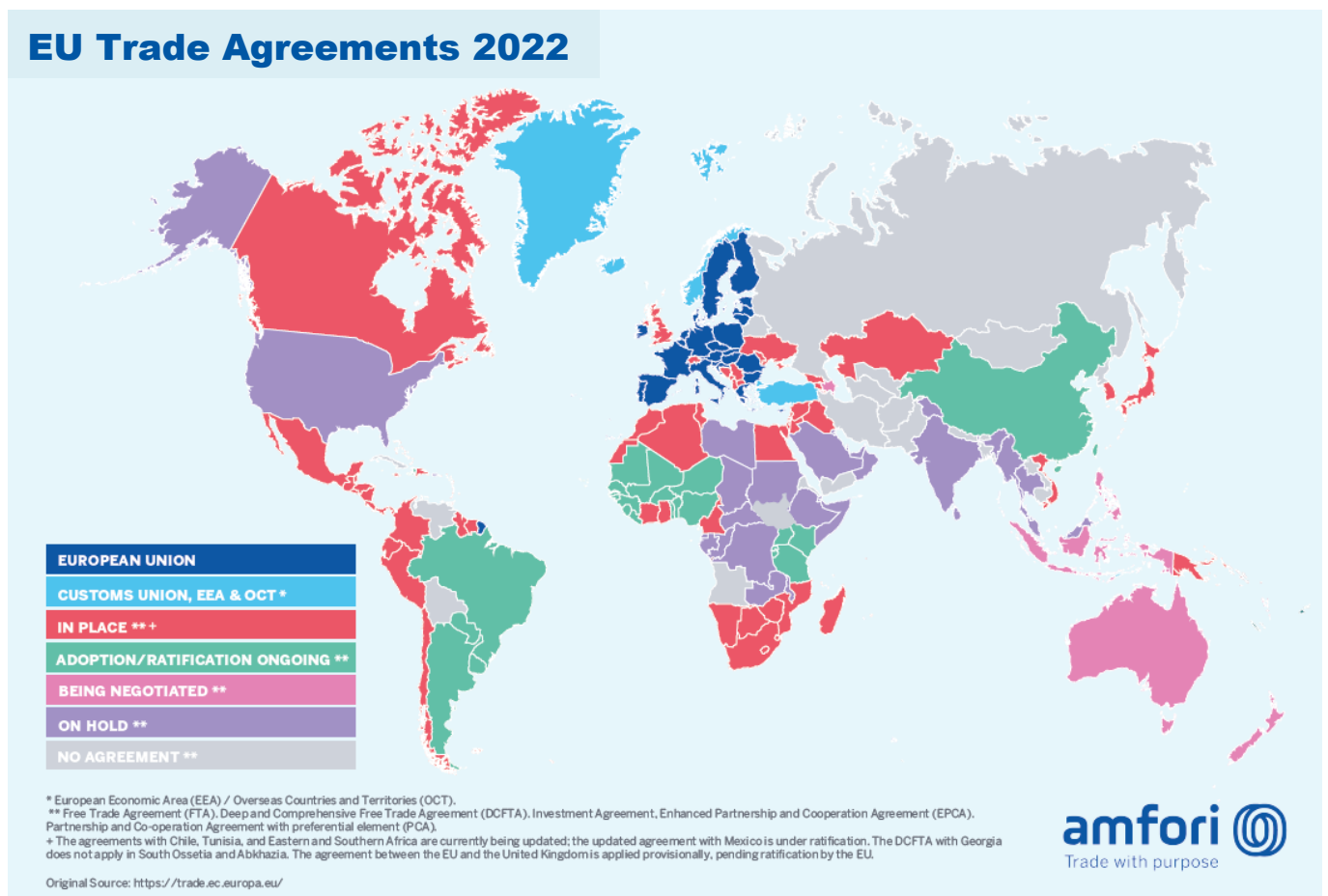
What do EU Trade Agreements mean for amfori Members?

Trade agreements decrease costs, boost the opening of markets and increase business opportunities. Increasingly, trade agreements are becoming the main tool for instigating social and environmental reforms through economic relations. **European retailers and importers benefit in multiple ways** from preferential trade agreements between the EU and third states:

- ✓ *Customs*: lowering or abolishment of tariffs and simplification of rules of origin.
- ✓ *Non-tariff-barriers*: reduction of technical obstacles to trade (e.g. standards).
- ✓ *Trade rules*: implementation of smooth legislation and IPR protection.
- ✓ *Market access*: facilitation of investments and commercial presence.
- ✓ *Sustainable trade*: agreements create platforms to address sustainability challenges.

Important to note: Each agreement that the EU concludes provides a specific mix of the above, which means that no two agreements are exactly alike, which necessitates a proactive scrutiny of all agreements being negotiated.

Overview of EU Trade Agreements and Negotiations



2. Multilateral Negotiations



Trade in Services Agreement (TiSA)

Negotiation status: On hold

Background

The agreement is being negotiated by [23 members](#) of the World Trade Organization (WTO), including the EU. Together, **these countries account for 70% of world trade in services**. It is based on the WTO's General Agreement on Trade in Services (GATS). The talks cover all sectors, including retail, e-commerce, information and communication technology (ICT) services, logistics and transport, financial services and services for businesses.

Since TiSA is negotiated under the umbrella of the WTO all members can request to join the current negotiations. Both the Mauritius and Uruguay have done so since the start of the talks. China also applied but has not yet been admitted due to opposition from the US.

Status

In the autumn of 2016, the negotiations were in the final phase, and the US was putting pressure on their conclusion. However, the EU still had sensitivities regarding data protection, and did not feel that the talks could be finalised. **The talks were put on hold and have not resumed.**

Outlook

The likelihood of negotiations restarting is very low. Considering that the major parties in the TiSA negotiations have started talks on the plurilateral e-commerce agreement (see below), the interest in continuing with TiSA has severely diminished. However, many aspects of the TiSA agreement may be replicated in the e-commerce plurilateral or any other future agreements.



Plurilateral negotiations on electronic commerce

Negotiation status: Ongoing

Background

[Plurilateral WTO negotiations on e-commerce](#) were launched in Davos in January 2019 after a year of exploratory talks. The negotiations cover both goods and services and their aim is to agree on global rules on digital trade. Since the launch of the negotiations, five negotiating rounds have taken place on the basis of text proposals submitted by WTO Members. So far 86 WTO Members have formally joined the talks.

Status

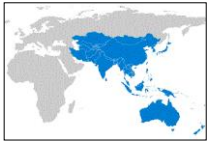
In the last two years, progress has been made via small groups dealing with separate issues. In February 2021, a text on "spam" was finalised. At the meeting of 21 February 2022, members exchanged views on proposals relating to telecommunications services, access to online platforms and competition. In addition, 65 members put forward a proposal to renew the multilateral moratorium on the imposition of customs duties on e-commerce.

Outlook

To date, no further meetings have been scheduled as the dates of the 12th Ministerial Conference (cancelled last year) are being decided.

3. Bilateral Negotiations

Asia and Oceania



The region is crucial for European economic interests in both the short and the long term. Although the EU already concluded a wide-ranging agreement with South Korea, it has been trying to catch up with the US, which already finalised several bilateral deals in the Asia-Pacific. For this reason, the EU needs to move quickly to ensure that it does not stay out of the most crucial markets of future growth.



China

Title: **Bilateral Investment Agreement**

Negotiation Status: **Concluded in principle**

EU27 (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Clothing	Footwear	Textiles
696Bn	472.2Bn	223.3Bn	22Bn	7.2Bn	5.6Bn

The purpose of the Investment Agreement is to **abolish restrictions on investment and improve investment protection**. Market access for goods is not part of the agreement, therefore it mainly benefits traders with a commercial presence and/or production facilities in China.

Background

In November 2013, the EU and China officially launched negotiations for an agreement which would **replace the existing 27 EU member states' deals with China**. amfori had been advocating in favour of such talks for several years.

For more information, see the [amfori Position Paper on EU-China trade relations](#).

Status

The two sides concluded in principle the [Comprehensive Agreement on Investment](#) on 30 December 2020 and it currently awaits approval by the EU Council and the European Parliament.

Outlook

Several NGOs, and groups within the European Parliament, are concerned that the provision within the agreement regarding China's commitments on labour standards and the ratification of ILO conventions, is too weak (amfori has [called for a roadmap and monitoring of these commitments](#)). In addition, there is particular concern with respect to allegations of human rights abuses in the Xinjiang Region. Consequently, the EP has effectively frozen its ratification process and so the agreement is unlikely to come into force in the near future.



India

Title: **Bilateral Trade and Investment Agreement**

Negotiation Status: **On hold**

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Clothing	Textiles	Footwear
88Bn	463.1Bn	41.9Bn	3.4Bn	1.5Bn	905m

Due to the importance of India as a sourcing country, **amfori is urging the two sides to resume talks**, which were close to be finalised in 2014 but have been on-hold since. The agreement would deliver substantial gains for members, such as the removal of tariffs (98% of tariff lines and trade volume) and improved market access for retailers.

Background

The Bilateral Trade and Investment Agreement (BTIA) **negotiations between the EU and India started in 2007 and have been slow and complicated**, particularly as the Indian government is facing domestic resistance from political and social actors to open up its economy, also with regards to the distribution sector which is mainly dominated by small shops.

Status

The talks were **suspended after 12 full rounds** in autumn 2013. Stumbling blocks on the EU side are tariffs on automobiles and alcohol, as well as intellectual property rights, and on the Indian side the demand for free movement of Indian professionals in Europe.

Outlook

After numerous public announcements from the EU and Indian leaders on talks resuming – that came to nothing – In May 2021 the two sides agreed to restart negotiations for a comprehensive trade agreement and to launch separate negotiations for an Investment Protection Agreement and an agreement on Geographic Indications. However, as of the date of writing there is no date fixed for the resumption, or start, of these talks.



ASEAN

Title: **Free Trade Agreement**

Negotiation status: **On hold**

Negotiations with the regional grouping of seven ASEAN countries were launched in July 2007, but in March 2009 **it was agreed those negotiations be put on hold**. In December 2009, EU decided that the Commission will pursue talks on a bilateral basis with countries of ASEAN.

Unexpectedly, on 10th March 2017, **EU and ASEAN Ministers stated that they will start preparations towards re-launching the region-to-region negotiations**. The Ministers tasked the Senior Economic Officials to work out the parameters of a future ASEAN-EU region-to-region agreement. *amfori* is following the issue closely, but primarily regarded that as a political statement aimed at giving impetus to the ongoing bilateral negotiations and combatting rising protectionism around the world.

Therefore, it is clear that the EU will continue bilaterally for the time being. The agreement with Singapore entered into force in November 2019, the agreement with Vietnam entered into force in August 2020. The status of the remaining five bilateral negotiations is outlined below.



Indonesia

Title: **Comprehensive Economic Partnership Agreement**

Negotiation status: **Ongoing**

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Palm oil	Footwear	Clothing
24.8Bn	16.7Bn	8Bn	2.3Bn	1.3Bn	923m

amfori believes that trade relations between the EU and Indonesia are currently highly under-utilised, taking into consideration that Indonesia is ASEAN's most populous nation with over 260 million inhabitants, it is only the fifth trading partner of the EU in ASEAN. Therefore, **we urge the two sides to rapidly conclude a deep and comprehensive agreement.**

Background

Owing to negative economic experiences from a free trade agreement with China, signed in 2004, Indonesia had been reluctant to negotiate other free trade agreements. However, in July 2016, **the EU and Indonesia officially launched negotiations for a Comprehensive Economic Partnership Agreement (CEPA)**. The EU has published its [textual proposals](#) on most chapters, including customs and trade facilitation, rules of origin and sustainable development.

Status

Two issues at the WTO have delayed progress in the talks; the EU measures imposed against palm-oils for biofuels which Indonesia has raised at the WTO, and the EU dispute against Indonesian export restrictions for raw materials used in the production of stainless steel. Nevertheless, negotiations have continued and **the 11th round took place in November 2021**. There was progress on: rules of origin for agricultural products and footwear, customs fees/formalities, trade remedies, technical barriers to trade, investment and services. Further progress was also made on TSD. The date of the next round is not yet fixed.



Malaysia

Title: **Free Trade Agreement**

Negotiation status: **On hold**

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Palm oil	Clothing	Textiles
41Bn	29.2Bn	11.7Bn	1.3Bn	84m	39m

Negotiations were launched in October 2010 and went through seven rounds of negotiations before Malaysia halted talks in April 2012. Conflicting issues remain on EU cars, religious linked barriers (e.g., Halal requirements and alcoholic beverages) and the status of state-owned enterprises.

The EU is still interested in a comprehensive agreement, but the Malaysia government has yet to take a position on the resumption of negotiations.



Myanmar (Burma)

Title: Investment Protection Agreement

Negotiation status: On hold

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Clothing	Footwear	Fish/seafood
2.6Bn	2.2Bn	323m	1.7Bn	157m	11.7m

Myanmar benefits significantly from its export having zero duties in the EU under the GSP 'Everything but Arms' regime. Therefore, a free trade agreement is not a top priority for the country. However, in March 2014, the two sides announced the start of negotiations for an investment agreement. Although this would improve the legal environment for EU investors in Myanmar, as well as easier access to arbitration and investor-to-state dispute settlement, **market access for investment is not covered by the negotiations.**

Four rounds of talks took place until April 2017. Owing to the crisis surrounding the Rohingya minority in Myanmar and the military coup in February 2021, **no date has been set for the next round of talks.**

For more information, see the [joint statement](#).



The Philippines

Title: Free Trade Agreement

Negotiation status: On hold

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Fish/Seafood	Nuts	Clothing
15.2Bn	8.1Bn	7.1Bn	187m	90m	88m

Negotiations between the EU and the Philippines for a trade and investment agreement were launched in December 2015. The intention was to build upon the PCA that was signed in 2012 (and ratified in 2018). Only two rounds (May 2016 and February 2017) took place before talks were suspended.

The Philippines benefits from zero duty rates on 66% of its tariff lines (including clothing) since December 2014 when it was granted GSP+ status and the utilisation rate is quite high (approx. 75%). However, there has been significant criticism of its compliance to certain ILO/UN conventions and with issues surrounding child labour and freedom of association. As a result, **the EP has urged the Commission to remove GSP+ preferences.** No date has been fixed or the next round of talks.



Thailand

Title: Free Trade Agreement

Negotiation status: On hold

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Clothing	Fish/Seafood	Textiles
35.3Bn	22Bn	13.3Bn	378m	188m	179m

After several years of difficult discussions negotiations started in November 2012. However, after four rounds, talks were suspended by the EU following the military coup that took place in 2014.

In October 2019, after Thailand's elections, the Council stressed the importance of resuming talks on an ambitious agreement. **The EU is currently engaged in a mapping exercise with the country to establish the level of ambition on the Thai side, but there are concerns about the level of commitment to improve workers' and human rights.** In 2020 Thailand publicly announced its willingness to resume talks but no date has been fixed.

Thailand lost its GSP status in January 2015 (and therefore preferential market access to the EU). We are aware that since then, there has been a relocation of production to Cambodia, Laos, Myanmar and Bangladesh.



Australia

Title: Free Trade Agreement

Negotiation status: Ongoing

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Wine	Beef	Nuts
42.3Bn	9.2Bn	33.1Bn	203m	90m	78m

The EU and Australia agreed to negotiate a free trade agreement in November 2015 – in order to remove barriers to trade in goods, protect GIs, and enhance regulatory cooperation.

To date, twelve negotiating rounds have been held since the launch in June 2018. **The most recent last took place in February 2022** – good progress was made on issues including: rules of origin, TBT, trade remedies, SPS issues, GIs, and all outstanding issues concerning TSD.



New Zealand

Title: **Free Trade Agreement**

Negotiation status: **Ongoing**

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Fruit	Sheep/lamb meat	Wine
7.8Bn	2.3Bn	5.5Bn	404m	359m	113m

Preparations for a trade agreement started in October 2015 and aimed to eliminate tariffs, open services markets and promote investment. Since the launch of talks in June 2018, there has been 11 rounds – the last in July 2021 when rules of origin, wines and spirits issues, SPS, IPR and GIs, and TSD were among the issues discussed). The 12th round is planned for March 2022.

Mediterranean



A **multitude of trade agreements** with the North African and the Middle Eastern countries are already in place, mainly covering tariffs on industrial and agricultural products – leading to an increasing number of retailers importing from the region. The EU is now looking to modernise these agreements to cover investment protection, public procurement, customs procedures, IPR and sustainable development.



Turkey

Title: **Modernisation of Customs Union**

Negotiation status: **On hold**

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Clothing	Textiles	Fruit/Vegetables
157Bn	78Bn	79Bn	9.2Bn	3.3Bn	1.5Bn

The Customs Union between the EU and Turkey came into effect on 31st December 1995. At the time, it was thought to be the first stage towards Turkey's accession to the EU. However, Turkey does not meet the necessary conditions to join the EU (and it may be said that progress has regressed in recent years). In January 2017, the Commission proposed a modernisation of the Customs Union to EU Member States which included services, public procurement and most agricultural goods.

amfori has been [calling for an enhanced Customs Union](#) since March 2015 and has held various discussions with the Commission on the various problems faced by exporting goods to the country. Unfortunately, despite the best efforts of the Commission, these problems remain and have been added to.

Status

Turkey's main demands (observer status in EU trade negotiations and visa free travel) are too high for many Member States. In addition, Eastern EU members are concerned about Turkey's ambitions in services, such as greater access for road haulage.

Outlook

Considering the current political instability in Turkey as well as its ambitious liberalisation requests, it is difficult to tell when the EU will agree on a joint mandate for the talks. However, **the Council resumed discussions at a technical level in June 2021.**



Tunisia

Title: Deep and Comprehensive Free Trade Area

Negotiation status: On hold

EU27 Trade (€)					
Goods (2021)			Select imports		
<i>Total</i>	<i>EU Imports</i>	<i>EU Exports</i>	<i>Clothing</i>	<i>Footwear</i>	<i>Fruit/Vegetables</i>
21.1Bn	10.3Bn	10.8Bn	1.8Bn	422m	181m

An Association Agreement with Tunisia was concluded in 1995 and which sets up a Free Trade Area for industrial products. In December 2011, the Commission was mandated to start talks with Tunisia on integrating services, establishment and agriculture (among others) in the already existing Association Agreement.

The first round of talks was held on 18th April 2016 in Tunis. Discussions covered a wide range of issues including agriculture, services and sustainable development. The fourth round took place in April 2019 in Tunis, covering similar themes. However, since then talks have been suspended and there seems to be **little enthusiasm by Tunisia for their continuation**.



Jordan

Title: Deep and Comprehensive Free Trade Area

Negotiation status: Preparations stalled

EU27 Trade (€)					
Goods (2021)			Select imports		
<i>Total</i>	<i>EU Imports</i>	<i>EU Exports</i>	<i>Clothing</i>	<i>Fruit/Vegetables</i>	<i>Spices</i>
3.7Bn	408m	3.3Bn	62m	12.1m	1.1m

The EU and Jordan already have a number of agreements in place such as the Association Agreement (2002), Liberalisation Agreement on Trade in Agriculture (2007) and a protocol on Dispute Settlement Mechanism (2011). **Preparations for launching negotiations on a Deep and Comprehensive FTA started in 2014**, but so far Jordan has not agreed to start negotiations.

In July 2016, the EU and Jordan **agreed to simplify the rules of origin** that Jordanian exporters use in their trade with the EU under the Association Agreement (2002). This is intended to make it easier for Jordan to export to the EU, encourage investment and create jobs for Jordanians and Syrian refugees. The measure will apply for 10 years and covers a wide range of manufactured products.



Morocco

Title: Deep and Comprehensive Free Trade Area

Negotiation status: On hold

EU27 Trade (€)					
Goods (2021)			Select imports		
<i>Total</i>	<i>EU Imports</i>	<i>EU Exports</i>	<i>Clothing</i>	<i>Fruit/Vegetables</i>	<i>Fish/Seafood</i>
43Bn	18Bn	25Bn	2.48Bn	1.9Bn	1.15Bn

There is an Association Agreement in place between the EU and Morocco since 2000. Negotiations for a Deep and Comprehensive FTA were started in March 2013 and four rounds were completed by April 2014. A [judgement from the European Court of Justice](#) in December 2015 caused a political disagreement but it is hoped that talks will start at modernising trade and investment relations.



Egypt

Title: Deep and Comprehensive Free Trade Area

Negotiation status: On-hold

EU27 Trade (€)					
Goods (2021)			Select imports		
<i>Total</i>	<i>EU Imports</i>	<i>EU Exports</i>	<i>Fruit/Vegetables</i>	<i>Clothing</i>	<i>Textiles</i>
30.6Bn	9.1Bn	21.5Bn	658m	319m	271m

An Association Agreement has been in force since 2004 and an agreement on further liberalisation of trade in agricultural and fisheries products since 2010. Preliminary talks on a Deep and Comprehensive FTA, that would liberalise trade in services, were started in June 2013 but **were stopped because of the political instability** in the country. No further talks are scheduled.

Americas



For amfori Members, trade agreements with North American countries are of interest due to the sheer volume of goods and services traded, where even a small preference would have a large effect on accessing markets or reducing costs. With Latin American countries, trade deals are mainly beneficial for tariff cuts in agricultural goods – which are the main sourced products from the region.



USA

Title: **Sectoral Trade Agreement**

Negotiation status: **On hold**

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Nuts	Textiles	Fish
631Bn	232Bn	399Bn	2.16Bn	790m	729m

Negotiations with the US are not high on the agenda for amfori members; for most, it is not a major sourcing country, and for others they are already present on the US market. Nevertheless, the distribution sector stands to gain from the agreement primarily due to the **elimination of all tariffs** and the **reduction of all technical barriers** to trade.

Background

After negotiations for the Transatlantic Trade and Investment Partnership (TTIP) fell through, the EU and US decided to negotiate a less ambitious agreement covering the elimination of tariffs for goods and on conformity assessment. Furthermore, in April 2019 the EU decided that the negotiating directives for TTIP were obsolete.

Status

The EU and the USA diverge on two main issues in their initial positioning: cars and agriculture. The USA wants to abolish tariffs for both industrial and agricultural goods, in contrast to the EU who seeks to limit the agreement to industrial products.

Outlook

The Council of the European Union is divided how to respond to the US proposal to include agriculture, and this has caused severe delays. Moreover, disputes between the EU and US over the WTO concerning *Airbus* and *Boeing* subsidies have soured relations in recent years. Therefore, it is **difficult to assess the prospects of a trade agreement**.



Mercosur

Title: **Free Trade Agreement**

Negotiation status: **Agreement reached in principle**

EU27 Trade (€)						
Goods (2021)			Select imports			
Total	EU Imports	EU Exports	Arg. (Beef)	Brazil (Coffee)	PY (Wool)	UY (Beef)
88Bn	43.5	44.5	377m	2.4Bn	904m	247m

Four of the Mercosur countries; Argentina, Brazil, Paraguay, and Uruguay are part of the agreement (Venezuela has the option of joining at a later stage). The countries are important sourcing markets for agricultural products – although the bulk of imports, understandably, come from Argentina and Brazil, and they are increasingly developing their clothing and textiles sectors. The agreement liberalises 92% of EU import tariffs over a ten-year period and provides an opportunity for foreign retailers to penetrate the highly protected markets.

Status

Negotiations for an Agreement were launched in 1999 but were suspended in October 2004 owing to strong divergences. However, in May 2017 the two sides agreed to relaunch negotiations **and reached a political agreement in June 2019**.

The main parts of the agreement were published in 2019 but the [tariff schedules](#) were only made available in mid-2021. Currently, both sides are engaged in the ‘legal scrubbing’ of the agreement – although this is unlikely to affect the final version to a great deal. Before coming into force, as with all agreements, it will require the approval of the European Parliament and the EU Member States.

However, since 2019 there has been strong criticism over the potential environmental impact (notably deforestation) that may result from the agreement – from NGOs, the European Parliament, and from certain EU member states. This threatens to delay, or potentially stop, its approval. The Commission is working on an initiative to address these concerns. Therefore, **it is not possible to predict the date of entry into force**.



Mexico

Title: **Association Agreement**

Negotiation status: **Agreement reached in principle**

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Fruit/Vegetables	Coffee	Fish
61.1Bn	23.4Bn	37.7Bn	310m	105m	121m

The EU-Mexico Global Agreement dates from 1997 and is to be replaced by the agreement currently being negotiated. The overall objective is to eliminate Mexican tariffs on EU food and drink, open up the Mexican services market to EU firms and improve workers’ rights and the environment.

Status

The EU and Mexico started the negotiation process in 2016. A political agreement on the main trade elements was reached on 21 April 2018. The two sides finalised negotiations on the remaining technical issues on 28 April 2020.

Outlook

The agreement is currently undergoing “legal scrubbing” and translation before being submitted to the European Parliament and EU Member States for their approval.



Chile

Title: Free Trade Agreement

Negotiation status: Technically concluded

EU27 Trade (€)					
Goods (2021)			Select imports		
Total	EU Imports	EU Exports	Fruit/Vegetables	Fish	Textiles
16.8Bn	6.8Bn	10Bn	874m	202m	8m

The EU and Chile concluded an Association Agreement in 2002, which includes a comprehensive free trade agreement that entered into force in February 2003 covering EU-Chile trade relations.

Negotiations for a modernisation of the trade aspects of the FTA, including a chapter on sustainable development, were launched on 16 November 2017.

Status

Negotiations were technically concluded in October 2021. The two sides are currently engaged in the “legal scrubbing” of the text.

Outlook

A political agreement is needed before the text will be translated into all EU languages and then passed to the European Parliament and Member States.

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