

09/12/2022

Eucolait welcomes agreement on modernised EU-Chile deal

Press release

After several years of negotiations, Eucolait welcomes today's news that negotiations for a modernised trading relationship between the EU and Chile have been concluded. The new deal will eventually provide for complete duty-free access for EU dairy products on the Chilean market and expands significantly on the scope of the existing FTA, which dates from 2002.

The new agreement will place EU operators on a level playing field with competitors in Oceania (which enjoy preferential access under the terms of the CPTPP), the US and Mercosur. Currently the main EU dairy product being shipped is cheese classified under 040690, which is subject to MFN duty of 6%. Close to 21 000 tonnes of hard and semi-hard cheese, mainly gouda, were exported to Chile in 2021. The current tariff rate quota for EU cheese (2925 tonnes annually) will continue to exist for the time being and will be phased out after a maximum of seven years from the date of application of the updated agreement.

In the vein of other new generation agreements, the upgraded text will also include a chapter on sustainable food systems, further feeding into the partners' commitment to increase cooperation and resilience and to work jointly towards the Sustainable Development Goals.

From a technical perspective, we welcome the news that this agreement will be considered as a 'split' accord for ratification purposes, allowing for trade concessions to apply on a provisional basis while other aspects ("advanced framework agreement") are ratified by national parliaments.

We look forward to the final adoption and implementation of the agreement and to the publication of the full legal texts. There is scope for further deepening the dairy trade relationship between EU and Chile and we trust the agreement will also facilitate solving technical barriers to trade.