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Eucolait welcomes European Parliament approval of enhanced EU-Chile agreement

Eucolait welcomes the news that the plenary of the European Parliament have today given their approval to the EU-Chile advanced framework agreement.

This represents the final step required on the EU side to allow for the entry into force of the interim trade agreement, providing for application of the trade concessions. The investment and political aspects also require ratification by all Member States. The deal, the political agreement of which was announced in December 2022 and which was signed a year later, expands on the scope of the existing EU-Chile accord which entered into force in 2003.

The agreement will eventually provide for completely duty-free access for EU dairy products on the Chilean market, including the removal of the current quota for EU cheeses. European dairy exports to Chile reached a total value of € 130 million last year. Cheese (mainly gouda type) is by far the main category, accounting for some 80% of the total with 28 000 tonnes of product exported in 2023.

Beyond market access concessions, this new generation agreement is of key geopolitical and strategic importance and is meant to promote value-based trade. Crucially, the agreement includes an ambitious trade and sustainable development chapter and a stand-alone chapter on sustainable food systems. This is important as trade is an integral part of the solution to today's global challenges such as ensuring food security and climate change mitigation. While trade agreements cannot be expected to address all environmental or social challenges that we face, they do create a framework within which further discussion and progress is possible.

Eucolait hopes for a swift entry into force and that the agreements with Chile and New Zealand will soon be followed by other FTAs that are close to being finalised.