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## Eucolait welcomes modernised EU – Mexico agreement

Eucolait celebrates the announcement of 17 January that negotiations have been concluded between the EU and Mexico for an upgraded global agreement.

The news comes almost 7 years after the initial announcement of an agreement in principle - which was subsequently put on hold - and 25 years after the original partnership agreement between EU and Mexico entered into force. Once ratified, the new agreement will replace the original agreement which does not cover trade in agricultural products.

The agreement represents an important win for the European dairy sector. With a population of 131 million and a growing economy, the Mexican market offers ample potential for EU companies, as consumers increasingly seek out high quality dairy products. Cheese, casein and infant formula are the main dairy exports at present, exceeding € 250 million annually.

In terms of concessions, EU dairy products will mainly benefit from duty-free tariff rate quotas, including notably cheese and milk powders, ultimately reaching 25 000 tonnes (5 000t fresh and processed cheese & 20 000t other cheese) and 50 000 tonnes respectively. In addition, some products, like yoghurt and blue cheese, will benefit from full, tariff-free access. A wide range of EU geographical indications will also enjoy protection in the Mexican market.

On the EU side, all tariffs on dairy products will be removed upon entry into force of the deal.

As well as providing enhanced trading opportunities, the modernised agreement features a trade and sustainable development chapter and is intended as a means for driving shared values between the EU and Mexico.

News of the new global agreement comes at an opportune time for both the EU and Mexico, as closer geopolitical allegiances become ever more valuable. The next practical steps will be legal scrubbing and translation of the text of the agreement into the official languages of the EU before it is sent to the Council and European Parliament for their respective approvals.

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