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PRESS RELEASE

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EU and Ecuador conclude negotiations for trade and development agreement

Today EU and Ecuadorian negotiators sealed a deal in Brussels that will allow Ecuador to join its Andean neighbours Peru and Colombia in their trade agreement with the EU.

The agreement will allow Ecuador to benefit from improved access for its main exports to the EU – fisheries, bananas, cut flowers, coffee, cocoa, fruits and nuts. The terms of the new arrangement go beyond the unilateral EU Generalised Scheme of Preferences, for which Ecuador is no longer eligible. The Agreement will also provide improved access to the Ecuadorian market for many key EU exports, for example in the automotive sector or for alcoholic beverages. However, the agreement will not only secure access to markets; more importantly it will also create a stable and predictable environment that will help boost and diversify trade and investment on both sides.

'I'm delighted we've been able to conclude this ambitious and comprehensive agreement with Ecuador,' said EU Trade Commissioner Karel de Gucht. *'It will boost our bilateral trade and investment, and act as an important driver for development in Ecuador.'*

The agreement will provide for a solid and predictable framework for Ecuadorian and European traders and investors and will also contribute to regional integration in one of the fastest-growing markets for European firms in Latin America. We now have to take the necessary steps to make sure the agreement is applied as quickly as possible.'

During the week-long talks, negotiators were able to resolve all of the remaining issues to reach an ambitious and balanced deal, while taking due account of each side's sensitivities. In addition to providing for the key respective interests for trade in goods, the agreement also includes an ambitious deal on market access for services, establishment and government procurement. A number of limited adjustments to the text of the agreement were agreed to cater for Ecuador's accession but without resulting in any significant change of the ambition and scope of the Agreement between the EU and Colombia/Peru.

The European Union and Ecuador will now proceed with the necessary legal revision of the agreed documents in order to be able to submit the final deal to their respective internal ratification procedures.

Trade and Investment relations with Andean countries

Negotiations with the Andean Community for an Association Agreement started in 2007. Ecuador decided to discontinue its participation in the talks in 2009, while Bolivia did so the year before, leaving Colombia and Peru to conclude the negotiations in 2010. Ecuador and Bolivia still had the option to re-join the process at a later stage.

The comprehensive trade agreement signed with Peru and Colombia in 2012 has been provisionally applied with Peru since 1 March 2013 and with Colombia since 1 August 2013. The Agreement opens up markets for EU, Colombian and Peruvian exporters, eventually bringing annual savings of more than €500m. However it is the improved, more stable environment for trade and investment that is expected to bring the biggest gains in terms of increased trade and investment flows.

Contacts were kept with Ecuador (as well as with Bolivia) throughout the period following their decision to discontinue their participation in the talks. After evaluating the overall balance and level of ambition of the final agreement the EU reached with Colombia and Peru, Ecuador concluded that the possibility to reengage with the EU in this context had great potential for improving EU-Ecuador trade and investment relations as well as for its internal development objectives. As a result, four negotiation rounds were held in 2014, with a successful outcome achieved during the round in July.

In 2013, trade with Ecuador reached €4.9 bn (€ 2.3bn exports; € 2.5bn imports), where a constant positive trend is observed, which should be further strengthened now that a trade agreement has been concluded. At the moment, 60% of the total exports from Ecuador benefit from GSP+ preferences, a preferential arrangement that will lapse for Ecuador in the end of 2014. Some 30% of its exports are represented by bananas, for which the concluded Agreement foresees an important preferential arrangement.

In 2013 trade flows between the EU and Colombia recorded a total amount of €13.6 bn (€ 5.8bn exports and € 7.7bn imports) making Colombia the 5th trading partner in Latin America (LA), while the trade flows with Peru reached €8.8 bn (€ 3.5bn exports; € 5.3bn imports; 6th trading partner in LA). As regards services, in 2012 the EU exported € 2.4bn to Colombia, € 1.8bn to Peru and € 1bn to Ecuador, while it imported € 1.1bn, € 0.9bn and € 0.4, respectively from those same countries. Trade with Bolivia is worth about €1.2 bn.

For more information

[Text of the Trade Agreement between the EU and Colombia and Peru](#)

[Sustainable impact assessment of the EU-Andean Community Association Agreement](#)

[MEMO/12/487](#) (26/06/2012)

[More information on the EU's trade relations with the Andean Community](#)

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