

The Protocol Upgrading China-Chile Free Trade Agreement Comes into Force Today

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The Agreement between the Government of the People's Republic of China and the Government of the Republic of Chile on Revising China-Chile Free Trade Agreement and Supplementary Agreement on Trade in Services of the Free Trade Agreement comes into force on March 1.

The Agreement is China's second FTA upgrading agreement after the upgraded China-ASEAN FTA as well as China's first FTA upgrading agreement with a Latin American country. The protocol will further explore the potential of bilateral economic and trade cooperation, enhance the level of trade liberalization and facilitation between the two countries, and enrich the comprehensive strategic partnership between the two countries, which is of great significance for further deepening the economic and trade cooperation between China and Latin America.

After the protocol comes into force, China will gradually cancel some tariffs on wood products within three years, and Chile will immediately abolish tariffs on textiles, clothing, home appliances and sugar products. The products that the two sides will mutually implement zero tariff will reach 98%. The China-Chile Free Trade Zone will become China's free trade zone with the highest level of open trade. In terms of trade in services, the two sides will expand and enhance the number and level of service trade commitment departments on the basis of the original supplemental agreement on service trade. China will further expand opening up in more than 20 sectors including commercial legal services, entertainment services and distribution. Chile has made a commitment on higher level opening up in more than 40 sectors including express delivery, transportation and construction. In addition, the protocol also revised and supplemented the chapters including the rules of origin and economic and technical cooperation, and added new rules on topics including e-commerce, competition, environment and trade.

The China-Chile FTA was signed in 2005 and was implemented in 2006. To promote the cooperation in services and investment areas, both sides signed and implemented the supplementary agreements concerning trade in services and investment that were signed in April 2008 and September 2012 respectively. In November 2016, China and Chile launched the FTA upgrading negotiations and signed the protocol in November 2017.