

# European Commission Directorate-General for Trade



## Press release

**ANDEAN COUNTRIES** Brussels, 28 February 2013

## EU trade agreement with Peru goes live – Colombia's next in line

*Trade barriers between the EU and Peru will be lifted as of 1 March 2013, when the EU's ambitious and comprehensive trade agreement concluded with Peru and Colombia in 2012 will be provisionally applied with Peru. The Agreement will open up markets for both EU and Peruvian exporters eventually bringing annual savings of more than €500m. But it is the improved, more stable conditions for trade and investment that are expected to bring the biggest gains.*

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'This agreement is an important step towards strengthening our trade and investment relations with the two countries. I welcome the provisional application of the agreement with Peru, and hope we will be able to announce the same with Colombia as soon as possible,' stated EU Trade Commissioner Karel De Gucht. 'In times of economic crisis, with limited internal demand and tight budgets, trade can help boost growth and jobs without causing further strain on the public purse. This agreement does just that and will really foster sustainable, high-quality business and investment on both sides,' said the Commissioner.

Colombia, which also signed the Trade Agreement with the EU in June 2012, is expected to join the implementation phase later this year, once its internal ratification procedures will be completed.

### Background

The agreement will substantially improve market access for EU and Peruvian exporters. In the long run, exporters of industrial and fisheries products will no longer have to pay customs duties and markets for agricultural products will be opened up considerably. At the end of the transition period, exporters will be saving more than €500 million annually in tariffs alone.

The main benefit of the new regime, however, will be the improved trading and investment conditions established by the agreement, providing for a stable, transparent, predictable and enforceable business environment. This is expected to create significant new opportunities for businesses and consumers on both sides.

The deal includes far-reaching provisions on the protection of human rights and the rule of law, as well as commitments to effectively implement international conventions on labour rights and environmental protection. Civil society organisations will be systematically involved in the work to monitor the implementation of these commitments.

The agreement also aims at fostering regional integration among the Andean countries. It keeps alive the hope on all sides for an association between the two regions by leaving the door open for the other Andean countries – Ecuador and Bolivia – to enter into the partnership.

Peru concluded its ratification procedures on 8 February, whereas the EU's internal procedures required for this provisional application had been completed on 25 February. The European Parliament had given its consent in December 2012 (**IP/12/1353**). When all 27 EU Member States will have ratified the agreement, it can fully enter into force. However, provisional application means that businesses will be able to benefit from all of the agreed trade preferences set out in the agreement as of 1 March 2013.

## EU-Peru trade relations

The EU is Peru's third largest source of imports (mainly machinery and transport equipment) and the main destination for its exports (mainly fuels and mining products). The trade agreement represents an important opportunity for Peruvian agricultural and fisheries exports, which already represent almost a third of all the country's exports to the EU. EU-Peru trade has grown significantly in recent years and its volume reached €9.2 billion in 2011, corresponding to 16% of Peru's trade volume. The EU remains the largest investor in Peru (more than 50% of total FDI), concentrating mainly in communications, extractive industries and banking and finance.

For more information:

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Last update: 28 Feb 2013 |

Date: 3/3/2013; URL: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=873>