

Ecuador - EU agreement will benefit shrimp and tuna exports

After four years of negotiations, Ecuador and the European Union (EU) on Thursday signed a trade agreement that will allow the entry of several Ecuadorian products to the European market without paying tariffs.

Shrimp exports as well as those of prepared and preserved tuna are some of the ones benefitting from the agreement, along with the hearts of palm, cocoa, oil, flowers, wood products, fruit juice and coffee.

The commercial terms negotiated between the two parties will enter into force during the second half of 2016 as soon as the European Parliament (EP) and the Assembly of Ecuador ratify the agreement content.

"After almost four years of work, we have finally settled a balanced agreement with the EU," expressed Francisco Rivadeneira, head of the Ministry of Foreign Trade.

The minister also said the EU executive pledged to extend, until the term of the trade agreement, a system of tariff preferences for Ecuadorian products, ending in December 2014, *Reuters* reported.

Meanwhile, the Ecuadorian president, Rafael Correa, stressed that Europe is the main market of the country, and ensured that "a pretty good deal was reached for Ecuador."

"Failure to settle the deal, basically as to bananas, flowers, tuna, etc., could mean losing a lot of competitiveness. And Europe is our main non-oil market. We established red lines that we were not willing to cross and we have not crossed them," stated Correa.

Meanwhile, the EU Trade Commissioner, Karel de Gucht, expressed his satisfaction at having been able to settle "this ambitious and comprehensive agreement with Ecuador."

"The agreement creates a sound and predictable framework for Ecuadorian and European traders and investors and will also contribute to the regional integration in one of the fastest growing Latin American markets for the companies," he added, according to *Europa Press* agency.

The tuna industry also welcomed the settlement on hearing the news of the extension of tariff preferences.

"If the renewal of this benefit had failed, from January 2015 canned tuna would have been exported with a tariff of 24 per cent," pointed out Monica Maldonado, executive director of the Ecuadorian Chamber of Tuna Fisheries (CEIPA).

Ecuador sends about 30 per cent of its exports to the EU, with a surplus in their favor in the bilateral trade balance.

The tuna industry, whose total exports now generate about USD 1,000 million, expects its overseas sales to grow 20 per cent thanks to the agreement reached with the EU.

Source : <http://fis.com/fis/worldnews/worldnews.asp?l=e&ndb=1&id=70036> (18/07/2014)