

Countdown for trade agreement settlement with the EU

After nine years' talks, a trade agreement with the European Union (EU) will be signed this Friday in Brussels, making it possible for shrimp and tuna, among other Ecuadorian products, to enter the European market free from tariffs.

The Ministry of Foreign Trade hopes that this agreement will increase Ecuador's exports by 1.6 per cent until 2020, and that 41,000 jobs can be generated.

"This agreement will completely change the relationship between the EU and Ecuador. It is not going to be a relation between a giant and a small country, but a relation between partners and that is really the most important issue," stressed the ambassador and head of the EU Delegation in the country, Marianne Van Steen, referring to the settlement of the Adhesion Protocol of Ecuador to the Multiparty Trade Agreement with that community of nations confirmed for November 11 in Brussels.

Once the Protocol has been signed, both the EU and Ecuador are starting a new process towards the ratification of the Agreement.

"In the EU, a committee is preparing a report, it offers to Parliament for consideration and it ratifies it. In Ecuador, the Constitutional Court reviews the constitutionality of the Agreement, prepares a report, brings it to the attention of the President, and he sends it to the Assembly to solve it," explains the head of Foreign Trade Juan Carlos Cassinelli.

The haste to sign this agreement takes place because on December 31 the tariff preference regime with the European bloc comes to an end, so that Ecuadorian products will lose competitiveness in that market, stressed La Hora.

At present, more than 300 Ecuadorian products enjoy tariff preferences in the EU -- including shrimp and tuna --, which means that they pay less tax than other countries.

In the case of tuna, for example, signing the agreement will allow it to continue entering the European market with 0 per cent of the tariff, instead of the 24 per cent that it would have to pay when the tariff preferences expire, said the president of the National Chamber of Fishery, Bruno Leone.

In addition, Monica Maldonado, executive director of the Ecuadorian Chamber of Industrial and Tuna Processors (CEIPA), said that signing the agreement guarantees the purchase in Europe of new technologies that will allow the sector to "manage yields, productivity and lower production costs".

As for shrimp, Europe is the destination of 30 per cent of Ecuadorian production, and according to estimates of the National Chamber of Aquaculture, the new agreement will favour the entrance of some USD 800 million in exports.

According to official Foreign Trade statistics, in the first eight months of this year the EU was the main destination of Ecuadorian exports, with a total of USD 1,889 million. It was followed by the United States, with USD 1,718 million and the countries of the Andean Community of Nations (CAN), with USD 676 million.

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