

**TRADE AGREEMENT UNITED KINGDOM - COLOMBIA, PERU AND ECUADOR
II SUBCOMMITTEE ON MARKET ACCESS
TUESDAY, JULY 11th, 2023
Online
Host: Ecuador**

Delegates from Colombia, Ecuador, Peru and the United Kingdom met virtually to hold the II Subcommittee on Market Access within the framework of the Trade Agreement to which they are a Party. The list of participants is included in Annex I.

RECORDS OF DISCUSSION ON II MARKET ACCESS SUBCOMMITTEE

I. General review of the implementation of the Trade Agreement

The Parties proceeded to give a brief presentation by each delegation to this II Subcommittee on Market Access.

The **United Kingdom** highlighted that ‘machinery and mechanical appliances’ was the largest export from the UK to the Andean countries between 2017-2022, whilst ‘mineral fuels, and mineral oils was the largest overall export from the UK in 2022.

Colombia mentioned its most important trade facts and established that bilateral trade relations with the United Kingdom had experienced a reindustrialization as a result of the sustainable foreign trade policy and energy renovation that Colombia had promoted.

In the case of **Peru**, the delegation highlighted the bilateral trade in goods with the United Kingdom, including its main exported products to the United Kingdom, as well as their main imports from the UK.

Ecuador established that bilateral trade relations with the United Kingdom indicates principally a positive non-oil trade balance for Ecuador. Also, Ecuador notes that a complementarity is established in trade with the United Kingdom, specifically in Agri-food products and raw materials for Ecuador’s side and in Inputs and machinery production for the UK side.

II. Review of the issues presented by the Parties

- a) Points of interest of the United Kingdom

Bilateral Issues with Peru

1. Update under Pischo’s review of the issues presented by the Parties.

The United Kingdom has raised its concerns about Peru’s the differential treatment of Pischo and reports that it will continue to use multilateral and bilateral channels to move the process

forward. The UK also requested for Peru to respond to the questions sent by the UK within the WTO framework.

For its part, Peru reiterates that the Selective Consumption Tax is applied to alcoholic beverages within the framework of a tax system that does not establish differentiated treatment based on origin. Therefore, it does not establish any distinction that effects members of the WTO and there is no intention to provide protection to domestic production.

b) Points of interest of Colombia, Ecuador and Peru

1. Follow-up for the implementation of market access commitments under the Agreement provided for in the Annex to the Agreement: Amendments to Annex I, Tariff Elimination Schedules; Section B Tariff Elimination Schedule of the EU Party; Tariff Elimination Schedule of the EU Party for Goods Originating in Colombia, Ecuador and Peru, Tariff Elimination; in relation to trade in bananas.

The Andean countries mentioned that bananas are one of their main products exported to the United Kingdom. A letter signed by their Foreign Trade Viceministers was sent to the United Kingdom with a tariff reduction proposal to meet the commitment established in the Agreement between UK and the Andean Countries.

Additionally, a roadmap was sent to the United Kingdom to work jointly on a feasibility study, according to the commitments of the 2022 Subcommittee of Market Access.

In this context, the United Kingdom citing the Agreement, mentioned that the delegation agrees to carry out the review of the preferences for bananas, within two years of entry into force of all Parties, which would begin from July 2024.

It is relevant to note that all Parties agreed that they have the same written text that is reflected in the Agreement's commitment. However, the Andean countries have a different understanding than the United Kingdom on the interpretation of the review clause.

Considering the situation, the Andean countries have proposed to raise the issue to the Trade Committee about the interpretation of Annex I of the Tariff Elimination Schedule and request guidelines and next steps.

In this sense, the Andean countries reiterated that the matter should be raised to the Trade Committee regarding the following concerns:

1. Interpretation of the text
2. Feasibility study with UK official figures or data concerning
3. Continued discussion / next steps




The United Kingdom commented that they will be able to agree on a roadmap once the review commences, following discussions with other UK government departments. The United Kingdom clarified that they had agreed at the Market Access 2022 Subcommittee to review a joint study produced by the Andean countries.

Lastly, Ecuador raises the joint concern of the Andean countries about the different interpretation that the United Kingdom has from the one it had last year in the same Subcommittee, in which the delegation of United Kingdom recommended to carry out a feasibility study. In this regard, Andean countries expect from the United Kingdom greater clarity on the perspective and possible next steps that the group could follow to comply the commitment of the Trade Agreement.

III. Conclusions.

The Andean countries highlighted the positive results as well as the benefits that have been obtained for the Parties within the framework of the Trade Agreement between the United Kingdom and Colombia, Ecuador and Peru. Similarly, The Andean countries requested more clarity on the discussions that took place in this Subcommittee, such as the deadlines to continue the joint processes that are intended to be carried out between the Parties.

The United Kingdom appreciates the productive discussions that took place, it agreed that there are pending issues that should be carried out in the Trade Committee to have greater clarity.

	Manuel Andrés Chacón COLOMBIA
	Alejandra Flores ECUADOR
	Jennifer Olortegui Marky PERU
	Beth Cleverdon UNITED KINGDOM

ANNEX I

MARKET ACCESS SUBCOMMITTEE PARTICIPANTS

Colombia

Manuel Andrés Chacón Peña

Juan Ignacio Hermann Rey

Sebastián Vargas Vargas

Angie Castro

Liliana Rubio

Ecuador

Alejandra Flores

Pablo Álvarez

Victoria Álava

Camila Martínez

Josselyn Bonilla

Pamela Vargas

María José Pérez

Maren López

Peru

Jennifer Olortegui Marky

Karen Tarazona Cruz

Andrea Florián

Mónica Loayza

Lisi Ruiz

Jaime Delgado

Cristina Medina

Milagros Ccalluco

United Kingdom

Beth Cleverdon

Oliver Exton

Melissa Roberts

Andrea Pérez

Rebecca Ogden

Ross Young

Anthony Gilmore

Jess Shakhli