

FREE TRADE AGREEMENT BETWEEN THE EFTA STATES AND COLOMBIA

Summary

The Free Trade Agreement between the EFTA States and Colombia was signed in Geneva, Switzerland on 25 November 2008.

The Free Trade Agreement covers a broad range of areas including trade in goods (both agriculture and industrial goods), trade in services, investment, intellectual property rights, government procurement, and competition. The EFTA-Colombia Joint Committee, established by the Agreement, will supervise the application of the Agreement which also provides for dispute settlement through arbitration.

In addition, bilateral arrangements on agricultural products between three individual EFTA States and Colombia form part of the instruments establishing the free trade area between both sides.

NAVIGATING THE AGREEMENT

The main Agreement consists of a total of 145 Articles and 20 annexes.

- Trade in goods**
- Services**
- Investment**
- Intellectual property rights**
- Government procurement**
- Competition**
- Cooperation**
- Administration and dispute settlement**

Trade in goods

Most industrial goods, including fish and other marine products, will benefit from duty-free access to the respective markets of the EFTA States as of the entry into force of the Agreement. For products imported into Colombia, most customs duties are eliminated after transitional periods of up to 9 years. This asymmetrical treatment reflects differences in the economic development of the Parties. The Agreement also provides for tariff concessions on processed agricultural products. Tariff concessions on selected basic agricultural products are covered by the bilateral agricultural agreements, which are part of the instruments establishing a free trade area between the Parties.

The Agreement provides for liberal rules of origin based on the European model. It includes provisions on state trading enterprises, sanitary and phytosanitary measures, as well as technical regulations and subsidies, in conformity with the relevant WTO Agreements. The same applies for trade remedies and exceptions. Furthermore, detailed provisions have been included on trade facilitation and mutual administrative assistance in customs matters.

Services

The Chapter on trade in services (Chapter 4) closely follows the WTO General Agreement on Trade in Services (GATS) approach. It covers all four modes of supply of a service, as defined under the GATS, and addresses all services sectors. The Chapter on Trade in Services deals with general disciplines, whereas more specific provisions for certain sectors are contained in Annexes (financial services, Annex XVI; telecommunication services, Annex XVII).

The lists of specific commitments of each Party are covered in Annex XV. These lists will be reviewed every three years with the objective to further liberalise trade in services between both sides.

Investment

The Chapter on Investment (Chapter 5) aims to improve the legal framework conditions for EFTA and Colombian businesses investing in each other's markets, in particular by granting non-discriminatory rights of establishment and operation (commercial presence) in economic sectors that are not covered by the Chapter on Trade in Services.

For a few areas, the Parties have lodged reservations to national treatment based on restrictions in their national legislation (Annex XVIII). The investment provisions in the Agreement complement the Investment Protection Treaties that may be concluded bilaterally between individual EFTA States and Colombia.

Intellectual property rights

The Agreement contains a full-fledged chapter on intellectual property rights (IPR; Chapter 6), covering all fields of IPR as well as measures relating to enforcement. The Chapter is based on the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), but includes certain improvements and clarifications with respect to TRIPS. For the first time in an EFTA Free Trade Agreement, measures relating to biodiversity are included.

Government procurement

Through the Agreement, the Parties consent to mutually open their Government Procurement markets. The government entities covered are listed in Annex XIX, while further provisions are contained in Annex XX (General Notes).

The Chapter on Government Procurement (Chapter 7) deals with the procedures to be followed by a government entity which is procuring goods, services and construction services above a certain threshold (specified in Annex XIX). The Chapter draws inspiration from the WTO Agreement on Government Procurement, but is adapted in a way to reflect the interests of the Parties.

Competition

Parties recognize that anti-competitive business practices have the potential to undermine the benefits of liberalisation arising from the Agreement. Accordingly, each Party commits to applying its competition legal framework with a view to avoiding such practices. The Parties also agree to co-operate on issues relating to competition law enforcement.

Co-operation

In the Chapter on Co-operation (Chapter 10), the Parties commit to foster trade capacity building initiatives between them. The Chapter also outlines modalities for such co-operation and indicates the contact points on both sides in this respect.

Administration and dispute settlement

A Joint Committee is established which supervises and administers the Agreement and oversees the further development of the Agreement. The Joint Committee may take decisions in cases provided for by the Agreement and make recommendations in other matters.

The Chapter on Dispute Settlement (Chapter 12) contains rules and procedures for the settlement of disputes arising from the Agreement between one or more EFTA States and Colombia.
