Lessons learned in the negotiation of the Pacific Alliance on IRC.

Gastón Fernández Sch.
Head Regulatory Department
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Ministry of Foreign Affairs
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Agenda

GENERAL CONTEXT

TRADE PROTOCOL

REGULATORY COOPERATION / SECTORIAL ANNEXES

LESSONS / OUTCOMES
General Context

REGIONAL ECONOMIC INTEGRATION PROCESS

OBJECTIVES:

- Free flow of goods
- Services
- Capital
- People

REGIONAL CONVERGENCE PROCESS THAT AIMS TO INCREASE PRODUCTIVITY AND BE A GLOBAL PLAYER IN THE COMPETITIVE WORLD
General Context

2011
Declaration of Lima
Creation of the Pacific Alliance

2012
Signature of the Framework Agreement of the Pacific Alliance (AP)

2014
Additional Protocol to the Framework Agreement of the Pacific Alliance
92% immediate tariff liberalization

2015
Framework Agreement of the Pacific Alliance enters into force
Establish objectives and structure

01 de Mayo, 2016
Entry into Force Additional Protocol

Yearly Presidency

PRESIDENTs
Ministers Council
Vice Ministers (GAN)
Technical WG

Observers
Business Council
Chile’s Trade Policy

87% of World GDP
64% of the world population
94% of Chilean’s export

Source: Studies Department, DIRECON-ProChile, figures Central Bank of Chile and IMF (WEO 2016).
Chile’s Customs Duty Rate (%)
Agenda

GENERAL CONTEXT

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LESSONS / OUTCOMES
Trade Protocol

- *TBT Chapter*

  - Chapter 30 of HS Pharmaceutical Products
  - Category A: Customs duties on originating goods, established in the tariff lines of this category, will be completely eliminated in 2014.
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GENERAL CONTEXT

TRADE PROTOCOL

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LESSONS / OUTCOMES
Regulatory Cooperation / Pharmaceutical products

At the 7th Summit of the PA in Cali in 2013, the "Inter-institutional Cooperation Agreement from the Health Authorities of the Pacific Alliance"

1. Speed up the granting of medical records of medicines
2. Obtain certification Level IV OPS / WHO

Result of the regulatory cooperation WG on TBT

Strong stakeholders engagement
## Trade Protocol

<table>
<thead>
<tr>
<th>2016</th>
<th>Importa desde el Mundo</th>
<th>Importa de AP</th>
<th>Participación %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>1.189.672</td>
<td>71.460</td>
<td>6%</td>
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<tr>
<td>Colombia</td>
<td>2.108.504</td>
<td>116.607</td>
<td>6%</td>
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<tr>
<td>México</td>
<td>4.142.681</td>
<td>33.892</td>
<td>1%</td>
</tr>
<tr>
<td>Perú</td>
<td>771.679</td>
<td>125.825</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.212.536</strong></td>
<td><strong>347.784</strong></td>
<td><strong>4%</strong></td>
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</tbody>
</table>

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<tr>
<td>Chile</td>
<td>166.121</td>
<td>32.366</td>
<td>19%</td>
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<tr>
<td>Colombia</td>
<td>426.944</td>
<td>103.218</td>
<td>24%</td>
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<tr>
<td>México</td>
<td>1.587.036</td>
<td>242.026</td>
<td>15%</td>
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<tr>
<td>Perú</td>
<td>41.496</td>
<td>7.914</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.221.597</strong></td>
<td><strong>385.524</strong></td>
<td><strong>17%</strong></td>
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</table>

Fuente: TradeMap miles de dólares.
In Paracas, Peru, July 2015, Presidential Mandate:

Search for new sectors TBT WG - Pacific Alliance Regulatory Cooperation (AP).

**DIRECON held a Citizen Consultation between January 8 and February 6, 2015.**

Business sector present a proposal on “Regulatory Cooperation for Medical Devices“ by The Business Council Alliance Pacific (CEAP).

TBT WG agreed to negotiate Medical Devices Annex.
## Trade Protocol

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<th>México</th>
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<tbody>
<tr>
<td>Exportaciones al Mundo</td>
<td>33.717</td>
<td>11.828</td>
<td>76.891</td>
<td>9.813.124</td>
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<td>Exportaciones a AP (3)</td>
<td>5.084</td>
<td>1.607</td>
<td>47.484</td>
<td>23.634</td>
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<th>México</th>
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</thead>
<tbody>
<tr>
<td>Importaciones desde el Mundo</td>
<td>894.677</td>
<td>426.315</td>
<td>958.668</td>
<td>8.714.700</td>
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<tr>
<td>Importaciones desde AP (3)</td>
<td>40.614</td>
<td>16.849</td>
<td>17.075</td>
<td>6.760</td>
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</tbody>
</table>

Values in thousands of US dollars, 2016  
Source: trademap data  
Chapt. 30, 87,90,94
Agenda

GENERAL CONTEXT

TRADE PROTOCOL

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LESSONS / OUTCOMES
Lessons / Outcomes

1. Trade Agreements new approaches from trade in goods
2. Political and technical cooperation
3. Understanding the trade costs of regulatory divergence
4. Regulatory Impact Assessment (RIA)
5. Stakeholder engagement
6. Flexibility ...
7. Benefit's for all?
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