

## TPP11: Entry into force for Chile

On February 21, 2023, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") entered into force for Chile.

The CPTPP was signed in Santiago, Chile on March 8, 2018, between the Republic of Chile, Australia, Brunei Darussalam, Canada, Mexico, Japan, Malaysia, New Zealand, the Republic of Peru, the Republic of Singapore, and the Socialist Republic of Vietnam. The CPTPP incorporates by reference most of the provisions of its predecessor, the Trans-Pacific Partnership Agreement ("TPP"), with some differences. For example, it includes the suspension of the application of certain specific provisions of the treaty until the parties to the CPTPP agree to terminate such suspension. It also provides different rules regarding the entry into force and withdrawal of the treaty.

Initially, the CPTPP entered into force in December 2018 for six countries: **Australia, Canada, Japan, Mexico, New Zealand** and **Singapore**. Subsequently, it entered into force for **Vietnam, Peru** and **Malaysia**. With the entry into force for Chile, currently 10 of the 11 initial signatory countries are parties to the CPTPP, with the ratification of Brunei Darussalam still pending. This is without prejudice to the entrance, in the future, of other countries to the CPTPP, in accordance with its accession rules.

Even though Chile already had bilateral treaties in place with the other CPTPP signatories, this new treaty will allow additional tariff reductions for the products that were not fully tariff free in the bilateral treaties with Japan, Canada, Malaysia and Vietnam. As reported by Chile's Sub-secretariat of International Economic Relations (*Subsecretaría de Relaciones Económicas Internacionales de Chile* or SUBREI), this implies improved access to the markets of the signatory countries for Chilean producers of various products in the agricultural, forestry, fishing, dairy and meat sectors. Disaggregated by country, Canada's tariff reductions are concentrated mainly in the agricultural sector, those of Malaysia and Vietnam are concentrated in manufacturing, and in the case of Japan, they are concentrated in the agricultural, fishing and aquaculture sectors. In addition, the CPTPP will allow the entry into Chile of products from other parties to the treaty with tariff reductions, including, for example, the importation of parts and intermediate goods needed for productive processes in Chile. It should be noted that the elimination of customs tariffs will be carried out progressively by each party to the CPTPP.

Notwithstanding the above, the CPTPP is not limited to tariff reductions. Throughout its 30 chapters, other matters are addressed, such as rules of origin (including a system of "cumulation of origin" for products made with supplies originating in other countries party to the treaty), rules that seek to guarantee a certain level of protection to an investor of a party that invests in the territory of another party, environmental and labor commitments, rules aimed at assisting SMEs of the parties to take advantage of the commercial opportunities of the treaty, and non-discriminatory treatment commitments for digital products, among other provisions.



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