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CHILE AND THE UNITED ARAB EMIRATES SIGN AGREEMENT TO FACILITATE TRADE AND INVESTMENT

Chile and the United Arab Emirates signed the Comprehensive Economic Partnership Agreement (the "Agreement"), which includes twenty-one chapters addressing several commercial and trade related aspects. This Agreement aims to strengthen and promote the existing economic relationship between both countries by establishing a free trade regime to liberalize and facilitate trade and investment.

A key measure of the Agreement is the elimination or reduction of customs duties on originating goods from each country, with gradual implementation within a period of three years from its entry into force. This would seek to promote the duty-free exchange of a wide range of products between both countries, including fuels, wood, fruits, and wines (among others).

Another innovative feature is the accumulation rule, whereby goods produced in one country (e.g., Chile), using originating goods from the other country (e.g., United Arab Emirates), will still be considered as originating from the producer country (i.e., Chile in this example) for the purpose of applying preferential treatment under this Agreement. The implementation of this rule would facilitate greater cooperation and integration between the production sectors of both countries by enabling final products from one country to be considered originating when using non-originating materials from the other country.

Furthermore, the Agreement aims to boost digital trade by committing to remove barriers, facilitate paperless trading, and enhance consumer confidence through effective digital trade measures. Moreover, it seeks to promote an attractive investment climate and outlining comprehensive economic cooperation across different areas, including manufacturing, agriculture, information and communication technology, and sustainable development.

Finally, the Agreement must be approved by the Chilean Congress. Upon its approval, the Agreement requires ratification by the

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President of the Republic to enter into full force and effect as a Chilean law.

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