



**COUNCIL OF
THE EUROPEAN UNION**



Brussels, 13 May 2006
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**II. EU -CHILE SUMMIT
Vienna, Austria, 13 May 2006**

Joint Communiqué

Under the institutionalised political dialogue between the European Union and Chile, a Summit was held on 13 May 2006 between the European Union troika represented by the Austrian Federal Chancellor, Mr Wolfgang Schäussel, as current President of the European Council, the President of the European Commission, Mr. José Manuel Durão Barroso, the HR/SG Javier Solana and the incoming Finnish Presidency, represented by President Tarja Halonen and the President of Chile, Ms. Michelle Bachelet.

1. The political dialogue was conducted in a very frank, open and constructive atmosphere, characteristic of the various aspects of relations between the European Union and Chile. The European Union troika welcomed this first very fruitful meeting with the newly elected President Bachelet and both sides expressed their wish to further strengthen the relationship.

P R E S S

2. President Michelle Bachelet and the European Union troika expressed their satisfaction at the results achieved in implementing the Association Agreement. It is an instrument which has already imparted considerable impetus to relations between Chile and the European Union, not just in trade but also in highly significant areas such as political dialogue and co-operation.
3. In this context, the parties agreed to go further in the construction of the association in the framework of the Association Agreement. Both Parties agreed to instruct their respective authorities in order to study and implement ways to strengthen the process of association in all areas of the bilateral relation.
4. Both Parties welcomed the smooth implementation of the Association Agreement in the trade area and noted the increased dynamism in bilateral trade relations. Following the first year of assessment of market opportunities, 2004 and 2005 were particularly satisfactory for both parties. Traditional trade increased while new market niches were explored. Considering these successful results, the parties welcomed the (upcoming) bilateral technical meeting at the end of May in order to explore modalities for possible further trade liberalisation. Both administrations tackled bilateral trade obstacles with a constructive spirit of cooperation, agreeing to continue such a dialogue with a view to facilitating trade and improving their understanding of each other's policies and legislation. Parties also expressed their will to continue working together in order to achieve a successful broad and balanced agreement in the WTO/DDA negotiations.
5. Regarding development co-operation, the Parties acknowledged that overall bilateral co-operation is very positive. The budget allocated to Chile in the framework of the Country Strategy Paper 2002-2006 (€34.4 millions) has been fully committed to programmes in areas such as state modernisation, support for the creation and development of innovative enterprises and support for the implementation of the Association Agreement. The Parties took note of the state of progress in the preparation of the Country Strategy Paper 2007-2013, in which Chilean authorities and other stakeholders have been and will continue to be fully involved, that should lead to a new pluriannual cooperation programme as fruitful and successful as the last one.

6. The Parties welcomed the present levels of bilateral co-operation and the stepping up of such co-operation through policy dialogues in areas of mutual interest including higher education, employment and social policies. These policy dialogues should continue and could be extended to other areas such as intellectual property, information society and environment, among others. The Parties expressed, as well, their interest in exploring new areas of bilateral cooperation. Both Parties agreed that a meeting of representatives of EU and Chilean civil societies on the implementation of the Association Agreement should take place in Santiago, on a date to be agreed by the Parties.
 7. President Michelle Bachelet then turned to the regional situation in Latin America and informed the EU about her views and evaluation on recent developments in the region.
 8. The European Union troika commented on the key developments in the EU, including the current debate on the future of Europe and the next round of EU enlargement. The EU also gave a summary of the present state of the Lisbon Strategy by emphasising its challenges and aims.
 9. Both sides agreed to hold a further political dialogue meeting at Heads of State or Government level on a date to be mutually determined.
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