



Report of the 38th round of negotiations of the Trade Part of the Association Agreement between the European Union and Mercosur

Buenos Aires, 11 – 15 March 2019

The 38th negotiation round of the Trade Part of the EU-Mercosur Association Agreement took place from 11 to 15 March in Buenos Aires, Argentina. Meetings took place at experts as well as at chief negotiators level.

Negotiations covered the following areas: (1) Trade in Goods; (2) Wines and Spirits; (3) Rules of Origin; (4) Government Procurement; (5) Intellectual Property (including Geographical Indications), (6) State-owned enterprises and (7) Subsidies.

Below is a summary of the discussions.

1. Trade in Goods

The Parties discussed market access in the automotive sector and open provisions of the text, in particular as regards export taxes, Mercosur's proposal for an infant industry clause, consular fees, state trading enterprises and regional integration – for the latter two issues the Parties reached an agreement on text.

2. Wines and spirits annex

The Parties continued working on the draft text on wines and spirits with the aim of establishing a comprehensive set of rules effectively facilitating trade. Items addressed included provisions on certification and labelling issues, including the use of EU traditional terms.

3. Rules of Origin

On rules of origin, the discussions continued on the outstanding product specific rules in the machinery and chemical sector as well as on some agricultural products. While the Parties made further progress in bridging the differences between their positions, the rules for some products still remain unresolved.

4. Government Procurement

The EU and Mercosur continued discussions, notably in relation to the schedules of each of the four Mercosur countries and explored options on how to agree on the outstanding market access issues.

5. Intellectual Property (including GIs)

The Parties revisited a number of outstanding parts of the IPR chapter, and worked on the text, including on Protection of Biodiversity and Traditional Knowledge, Copyright, Civil and Administrative Enforcement, Border Measures. The Parties agreed to further analyse the outstanding issues and revisit them during the next discussion.

Discussions also continued on the examination of the outstanding issues related to the protection of EU and Mercosur geographical indications and on the review of the conflicts identified in the EU and Mercosur lists of geographical indications to be protected in Mercosur and the EU respectively.

6. State-owned enterprises

The Parties continued discussions on the chapter on State-owned enterprises on the basis of the latest joint text. The discussions reflected the difference of views between the Parties, e.g. on the scope of the entities covered, certain key definitions, and the core rules. Further work is required to solve the remaining issues.

7. Subsidies

Exchanges on subsidies continued but important divergences between the parties, in particular as regards the scope of subsidies covered, persist. The Parties agreed to continue working in order to try to bridge the differences in their positions.