



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

Brussels, 12 – 20 November 2018

The XXXVIth negotiation round of the Trade Part of the EU-Mercosur Association Agreement took place from 12 to 20 November in Brussels, Belgium at experts and at chief negotiators level.

Negotiations covered the following areas: (1) Trade in Goods; (2) Wines and Spirits; (3) Rules of Origin; (4) Technical Barriers to Trade (including the Annex on motor vehicles); (5) Services and Establishment; (6) Government Procurement; (7) Intellectual Property (including Geographical Indications), (8) Trade and Sustainable Development, (9) State-owned enterprises (10) Subsidies and (11) Transparency. Both texts on disciplines and market access were discussed.

Below is a summary of the discussions.

1. Trade in Goods

The Parties discussed offers for duty dismantling, including temporary differentiated treatment for Paraguay for some goods.

The Parties discussed open provisions in the text as regards for example consular fees, export taxes, import and export monopolies and administration of tariff-rate quotas.

The Parties continued working on outstanding matters related to market access, including on industrial and agricultural products of EU export interest.

2. Wines and spirits annex

The Parties continued the work on the draft text on wines and spirits with the aim of establishing a set of comprehensive rules effectively facilitating trade. Items addressed include provisions on winemaking practices and labelling issues, notably the use of EU traditional terms.

3. Rules of Origin

The Parties discussed the text of the Protocol and rules of origin for some sectors. The Parties made significant progress on the text on the few issues, which still remained outstanding. The discussions on product specific rules focused on the machinery sector and some agricultural products where only limited progress was achieved.

4. Technical Barriers to Trade (including the Annex on motor vehicles)

There was further work on the TBT Chapter with some progress on technical issues related to the definitions in the conformity assessment annex.

The Parties made good progress on the Annex on motor vehicles, where the text was finalized. Further work is required on the technical appendices.

5. Services and Establishment

The Parties continued to discuss the issue of market access for maritime services and agreed on the need for further work on this.

6. Government Procurement

The discussions allowed for some progress on the text of the Government Procurement chapter including in relation to the transparency in the publication of procurement notices.

The Parties also continued discussions on market access. The EU and Mercosur explored options on how to agree on the outstanding market access issues.

7. Intellectual Property (including GIs)

The Parties revisited parts of the IPR chapter and discussed a number of outstanding issues particularly in the sections relating to General Provisions and Principles, Copyright and Civil Enforcement of intellectual Property Rights (including border measures). The Parties explored possible solutions and alternative texts in these sections. The Parties agreed on the need for further work on this.

The group discussed a series of outstanding issues related to the protection of EU and Mercosur geographical indications. The work continued on textual provisions related to the protection of geographical indications, with some progress registered, and included a further review of conflicts identified in the EU and Mercosur lists of geographical indications to be protected in Mercosur and the EU respectively.

8. Trade and Sustainable Development

The Parties made progress on the text of the Trade and Sustainable Development chapter by agreeing the articles on Panel of Experts and Review.

9. State-owned enterprises

The Parties engaged in discussions regarding the chapter on State-owned enterprises on the basis of various proposals made by both sides. Good progress was made but further work is needed to clarify the remaining issues.

10. Subsidies

Discussions on subsidies continued on the basis of written proposals from each side. While there was some progress, there continue to be divergences between the Parties that need to be bridged, notably as regards the scope of subsidies covered.

11. Transparency

The Transparency chapter was finalized during this round.