



CIVIL SOCIETY DIALOGUE

UPDATE ON EU-MERCOSUR TRADE NEGOTIATIONS

Date: 20th March 2018

Time: 15:00-17:00

Location: Albert Borschette, Room 0-D, Rue Froissart 36, Brussels

Lead Speaker

Ms Sandra Gallina, EU Chief Negotiator, Director for Sustainable Development; Economic Partnership Agreements – African, Caribbean and Pacific; Agri-food and Fisheries, Directorate-General for Trade, European Commission

Moderator

Ms Eeva Tella, Civil Society Dialogue coordinator; Information, Communication and Civil Society, Directorate-General for Trade

Panel Presentation:

The **Commission** (S. Gallina) updated the Civil Society on state of play of the EU-Mercosur trade negotiations. The 32nd round of negotiations took place in Asunción, Paraguay from the 21 February to 2 March 2018. A report of the round was published on the EU transparency page.

The Commission pointed out that the text of the agreement is very close to be concluded. However, there are four specific topics which require particular clarity from our partners: automotive sector (cars and car parts); geographical indications (GIs); maritime services; and dairy products.

Good progress has been achieved in qualifying chapters such as Sanitary and Phytosanitary (SPS) measures and Trade and Sustainable Development (TSD). In the SPS chapter, there has been a significant progress of the text and talks are approaching an end. The key feature of this chapter is reciprocity and it will provide for a better EU response to food safety challenges. Discussions are also advancing well as regards cooperation on animal welfare and antimicrobial resistance. Likewise, regarding the TSD chapter, work was very good with Mercosur, given their involvement on these topics in multilateral fora.

Date: 28/03/2018

Trade

Regarding other chapters, such as Rules of Origin (RoO), talks are increasingly reaching a final point and the current discussion is centred on automotive and a few other products (machinery, steel, plastics, sugar, etc.).

Chapters on Technical Barriers to Trade (TBT), Services, Trade Defence Instruments (TDI) and Small and Medium Enterprises (SMEs) have advanced very well and only few details remain to be discussed. Likewise, the chapter on Government Procurement is almost finished, while as regards market access, discussions are progressing well, with the opening at sub-federal level remaining very difficult for Mercosur. The chapter on Intellectual Property (IP) has been especially difficult for the Mercosur partners and some work on the language is still required.

Discussion Highlights / Questions and Replies:

Different topics were raised by representatives of Civil Society organisations in the ensuing discussion. **Copa Cogeca** recalled the farmers' positions on this Agreement and enquired about the impact of the upcoming Brazilian elections in the negotiations with Mercosur. The **European Patent Office** asked about the sensitivities on patents. The Irish Farmer's Association recalled the sensitivities of the beef sector, in particular in light of Brexit.

The **Commission** (S. Gallina) pointed out that it was duly taking into consideration the sensitivities of the beef sector, but stressed that problems of the sector went well beyond the negotiations with Mercosur. As regards IPR, it explained that Mercosur did not want to go beyond TRIPS. Brazilians counterparts were not particularly concerned about elections having an effect in the negotiations.

CEFS inquired about the rules of origin for sugar and safeguards, **GMB Trade Union** raised questions on the implementation of the TSD chapter, **Eurogroup for Animals** enquired about the enforcement of the animal welfare provisions and encouraged the Commission to establish the Domestic Advisory Group (DAG) from the very beginning of the implementation.

The **Commission** (S. Gallina) explained that TSD chapters were a process, that engagement of our counterparts was vital and encouraged the civil society to proactively prepare the implementation. As regards rules of origin and safeguards, the Agreement will follow the classical approach.

FederlegnoArredo inquired about the treatment for furniture in the agreement, **STARCH EUROPE** recalled the sensitivity of processed starch products, and **FEDIOL** raised the issue of the differential export taxes. The **European Potato Processors' Association** raised their concern regarding anti-dumping measures they are facing in Brazil, **EURATEX** enquired if the agreement reached by the industries of the two regions was accepted by Mercosur negotiators, **CLEPA** inquired if there was any progress regarding market access for car parts, **Antwerp World Diamond Centre** recalled their interest in improved market access (including flexible rules of origin) for diamonds and precious stones. **The Association nationale interprofessionnelle du bétail et des viandes** enquired about changes in the conditions for the beef TRQ. **FRESHFEL** asked about fast track procedures for fresh produce and about harmonisation of procedures among Mercosur countries.

The **Commission** (S. Gallina) stressed that efforts are made in the negotiations to respond to these requests from the industry. She explained that the conditions of the TRQ for beef were the same, and that Mercosur has accepted to harmonise SPS relevant certificates.

ICMP asked about progress on copyright provision, **AVEC** expressed strong preoccupation about the recent meat scandal and asked for stricter checks for poultry at EU borders, **Confederazione Cooperative Italiane** enquired about Mercosur restrictions on bottle sizes of

wine, **SpiritsEurope** recalled their preoccupations regarding market access and a discriminatory tax on imported spirits in Brazil, while **CEFIC** recalled their interest in bio-ethanol and asked about prospects for conclusion of the agreement. **Humane Society International** enquired if provisions against illegal wildlife trade and IUU fishing were still included in the TSD chapter, European Public Health Alliance mentioned risks related to unhealthy lifestyles (tobacco, dietary health) and access to medicine, and the **Asociación Española de Mayoristas, Transformadores, Importadores y Exportadores de Productos de la Pesca y la Acuicultura** enquired about rules of origin for fisheries products and market access.

The **Commission** (S. Gallina) mentioned that provisions on copyright were agreed with Mercosur, reassured that the Commission was taking food safety seriously, but that issues linked to the fraud or to public health could not be all solved through an FTA and that particular attention needed to be paid to enforcement. The Commission reassured the concerned industries that the negotiations were addressing the obstacle mentioned and that the TSD chapter included provisions to protect wildlife and promote sustainable fishing. As regards rules of origin for fisheries products, the Commission is confident that a good solution can be found to the still outstanding issues.
