

# **EU-MERCOSUR NEGOTIATIONS:**

## **Region-to-region dimension**

**Beatriz Knaster**

**DG TRADE**

**European Commission**

# **General state of play of negotiations**

**In 'pause' mode since October 2005**

**Looking at ways for relaunching trade talks**

**Link to DDA**

**Ministerial meeting should take a political decision on the way forward and adopt a work programme accordingly**

## **Region-to-region dimension**

**Mercosur operators will benefit from the EU's Single Market. In return we expect :**

- EU goods to circulate freely within Mercosur**
- EU companies to enjoy 'Mercosur treatment'**

**Also good for Mercosur: economies of scale, building regional markets, attracting FDI**

# Some key aspects of free circulation

## I. No double imposition of duties for products of EU origin

Where EU goods cross one or more internal Mercosur borders they should not be liable to pay further customs duties or any other charges having an equivalent effect.

# Some key aspects of free circulation

## II. Minimum customs requirements

**Wherever intra-Mercosur borders remain...**

**...specific facilitation measures should be in place to ensure free circulation of EU goods:**

- Harmonisation of customs procedures
- 'Fast track' or simplified intra-Mercosur clearance
- Adequate administrative capacity
- Intra-Mercosur administrative co-operation

# Some key aspects of free circulation

**Free circulation also requires the elimination of non tariff barriers....**

## **III. Industrial products' regulations**

**EU goods to be certified once and then be able to move freely within Mercosur**

**How?**

- Mutual recognition of legislation and conformity certificates
- Harmonisation of legislation at Mercosur level

# Some key aspects of free circulation

## IV. Sanitary and phytosanitary standards

**EU commodities should also benefit from free circulation...this requires as a minimum:**

- Harmonisation of SPS legislation/procedures for EU commodities imported into Mercosur
- Institutional provisions
- Administrative capacity

# Some key aspects of free circulation

## V. Free circulation of services

- (1) **Secondary establishment for EU service suppliers legally established in another Mercosur country**
- (2) **No obstacles to cross-border provisions of services for EU service suppliers legally established in another Mercosur country**

# Matching theory with realism

**Advances in regional integration take time, and demands on free circulation should be realistic.**

# Experience and lessons

## 1. Timing. Getting the basics right before rather than during negotiations

Central America and Andean Community:

- Opening of negotiations based on a sufficient degree of integration (and DDA outcome)
- Joint Assessment process on the state of integration

## 2. Focus on effective implementation

Addressing the implementation gap:

Integration 'on paper' versus integration in practice