



Delegation for relations with the Mercosur countries

**SPEECH BY THE PARAGUAYAN AMBASSADOR, MARIO SANDOVAL, IN THE
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- ASSOCIATION AGREEMENTS MUST NOT ONLY BE BENEFICIAL FOR THE GOVERNMENTS, BUT ALSO FOR THE CITIZENS OF THE REGIONS CONCERNED. FOR THIS REASON IT IS VERY IMPORTANT THAT WE HOLD THIS TYPE OF MEETING TO DISCUSS THE ISSUES IN PARLIAMENTS, AS THEIR MEMBERS REPRESENT THEIR CITIZENS.
- DURING THE PRO TEMPORE PRESIDENCY, WHICH LASTS SIX MONTHS AND IS CURRENTLY HELD BY PARAGUAY, WE HAVE SET OURSELVES THE FUNDAMENTAL GOAL OF PUTTING IN PLACE ALL THE CONDITIONS NECESSARY FOR THE BI-REGIONAL ASSOCIATION AGREEMENT TO BE CONCLUDED, IF POSSIBLE DURING THE PARAGUAYAN PRESIDENCY, BUT OTHERWISE DURING THE FIRST PART OF THE URUGUAYAN PRO TEMPORE PRESIDENCY, WHICH WILL FOLLOW OURS. THE REASON WHY WE WISH TO ACHIEVE THIS GOAL IS IN ORDER NOT TO ARRIVE AT A SIMILAR SITUATION TO 2004, WHEN THE PARTIES COULD NOT MOVE FORWARD BECAUSE OF A DEADLOCK, WHICH DID NOT BENEFIT EITHER PARTY. IN ORDER TO ACHIEVE THIS, THE PARAGUAYAN PRO TEMPORE PRESIDENCY HAS SET OUT A DYNAMIC SCHEDULE OF MEETINGS THAT IS ALREADY UNDER WAY.
- GIVEN THAT MERCOSUR HAS A STRONG WILL TO MOVE FORWARD WITH THESE NEGOTIATIONS, ANOTHER OF THE PARAGUAYAN PRO TEMPORE PRESIDENCY'S OBJECTIVES IS TO MAKE PROGRESS ON ALL THREE PILLARS OF THE NEGOTIATIONS AT THE SAME TIME, AS FAR AS POSSIBLE. WHILST WE ACKNOWLEDGE THAT THE TRADE ASPECT IS OF MAJOR IMPORTANCE TO THE AGREEMENT, THE OTHER TWO PILLARS, PARTICULARLY THE POLITICAL ONE, MUST MOVE FORWARD AT THE SAME TIME SO THAT THEY CAN INTERACT WITH ONE ANOTHER, WHICH WILL STRENGTHEN THEM. AT THE SAME TIME, THIS WILL PREVENT US FROM HAVING TO REEXAMINE SOME OF THE ISSUES AGREED UNDER THE PILLAR THAT HAS MADE MOST PROGRESS BECAUSE OF NEW ELEMENTS EMERGING AT THE END OF THE NEGOTIATIONS, MEANING THAT THEY CANNOT BE CONCLUDED SATISFACTORILY.
- FOLLOWING THE NEGOTIATION MEETING IN BRASILIA IN NOVEMBER AND DECEMBER 2010, THE PARTIES AGREED TO ARRIVE AT A COMPREHENSIVE, BALANCED AND AMBITIOUS AGREEMENT. REGARDING THE FIRST ASPECT, THE INTENTION IS THAT

THE AGREEMENT SHOULD COVER FUNDAMENTAL TRADE ISSUES, AND IN OTHER ASPECTS OF THE NEGOTIATIONS, AS MUCH AS POSSIBLE. WITH REGARD TO BALANCE, THE AIM IS THAT THE BENEFITS WILL BE SIMILAR OR EQUIVALENT FOR BOTH REGIONS AND EQUALLY THAT THE CONCESSIONS MADE BY BOTH PARTIES WILL ALSO BE BALANCED.

- AT THE LAST BI-REGIONAL NEGOTIATIONS COMMITTEE (BNC), MERCOSUR AND THE EU MADE PROGRESS ON THE **REGULATORY** PART OF VARIOUS AREAS INVOLVED IN THE NEGOTIATIONS SUCH AS MARKET ACCESS, SERVICES AND INVESTMENTS, RULES OF ORIGIN AND TECHNICAL BARRIERS TO TRADE, AMONG OTHERS.
- EXPECTATIONS HAVE ALSO ALREADY BEEN EXCHANGED BETWEEN THE TWO PARTIES, AND DATES HAVE BEEN PROPOSED FOR EXCHANGING OFFERS VERBALLY (AT THE NEXT BNC IN BRUSSELS IN MARCH), AND AT THE END OF MARCH FOR THE PRESENTATION OF WRITTEN OFFERS. WORK IS CURRENTLY IN PROGRESS ON IMPROVING THE OFFERS.
- WITH REGARD TO THE PARTIES IN THESE NEGOTIATIONS, BOTH REGIONS HAVE REACHED DIFFERENT LEVELS IN THEIR INTEGRATION PROCESSES, DUE TO HISTORICAL FACTORS DETERMINING THEIR DEVELOPMENT, INCLUDING THEIR CULTURAL HERITAGE, WHICH DOES NOT MEAN THAT ONE OF THEM IS BETTER THAN THE OTHER. MERCOSUR CONSIDERS THAT ITS CURRENT LEVEL OF INTEGRATION IS SUFFICIENT IN ORDER TO MOVE FORWARD WITH THESE NEGOTIATIONS FOR A BI-REGIONAL ASSOCIATION AGREEMENT WITH THE EU.
- HAVING READ THE REPORT BY THE EUROPEAN PARLIAMENT COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT ADOPTED ON 25 JANUARY 2010, IN PARTICULAR PARAGRAPHS 25 TO 28 AND OTHER PARAGRAPHS REFERRING TO THE NEGOTIATIONS WITH MERCOSUR, THE AMBASSADORS IN THE GROUP WERE CONCERNED TO SEE THAT WHAT WAS EXPRESSED IN THOSE PARAGRAPHS COULD LEAD TO A POSSIBLE SUSPENSION OF THE NEGOTIATIONS, TAKING US BACK TO A SITUATION SIMILAR TO 2004, THUS ENDANGERING THE AGREEMENT ITSELF.
- THE NEGOTIATIONS TAKING PLACE ARE GUIDED BY SOME BASIC PRINCIPLES AIMED AT ACHIEVING A HIGH-QUALITY AGREEMENT THAT PROTECTS THE INTERESTS OF ALL THE PARTIES, DESPITE THE PROLONGED NEGOTIATION PROCESS. ONE OF THESE IS THE 'SINGLE UNDERTAKING' PRINCIPLE, WHICH MEANS THAT AT THE END OF THE NEGOTIATIONS, THE FULL COMMITMENT TO THE AGREEMENT CAN ONLY BE MADE HAVING LOOKED AT ALL THE CONSEQUENCES AND EFFECTS OF THE DIFFERENT ASPECTS NEGOTIATED.
- IN RESPONSE TO THE SPECIFIC DEMANDS MADE BY CERTAIN SECTORS IN OUR REGIONS, WE SHOULD PRIMARILY CONSIDER THE OBJECTIVE WE WANT TO ACHIEVE, SEEKING TO ENSURE THAT ECONOMIC PLAYERS CAN ACT EFFICIENTLY WITHIN CLEAR RULES IN ORDER TO ACHIEVE COMPETITIVENESS AND GRADUALLY REDUCE AID ACCORDING TO A KNOWN TIMETABLE, SO THAT THEY CAN BE SATISFACTORILY INTEGRATED INTO THE MARKET.

- THE PARAGUAYAN PRESIDENCY OF MERCOSUR INTENDS TO REACH A 'WIN-WIN' AGREEMENT, SO THAT BOTH REGIONS AND ALL THEIR MEMBER STATES CAN ACHIEVE THE DESIRED BENEFITS.
