



EUROPEAN UNION ~FACTSHEET~

**EU-BRAZIL SUMMIT
(Brussels, 3/4 October 2011)**

EU STRATEGIC PARTNERSHIP WITH BRAZIL

EU-Brazil relations

EU-Brazil bilateral relations date back to 1960 when diplomatic relations were established (2010 marked the 50th anniversary). The 1992 Framework Co-operation Agreement established the legal basis for cooperation. Relations are strong, with regular high level visits, political dialogue, cooperation in a wide range of areas and consultations in the margins of major multilateral events.

In recognition of both sides' political and economic importance the EU-Brazil Strategic Partnership was established in July 2007 in occasion of the first bilateral Summit held in Lisbon.

Summit meetings are held on a yearly basis, focused on key global challenges such as climate change, the international financial crisis as well as the analysis of the respective regional situations. Four Summits have been held so far and the fifth one will take place in Brussels on 4 October. Summits have been very successful events generating a positive dynamic in the relationship and providing guidance and impetus for intensified cooperation at technical level.

To underpin the Strategic Partnership, leaders adopted a three-year (2009-2011) EU-Brazil Joint Action Plan (JAP) at the 2nd Summit held in Rio de Janeiro in December 2008. The JAP includes political dialogue, economic and trade matters including environment and sustainable development, bi-regional cooperation, science and technology, and people-to-people and cultural matters. A review of the current JAP and the adoption of a new one, for the 2012-2014 period, are due at the 5th Summit.

Human rights issues are addressed in the EU-Brazil Human Rights Dialogue held in Brasilia on an annual basis and coupled with regular meetings in the margins of the Human Rights Council in Geneva and of the UN General Assembly in New York. Two sessions of the dialogue have taken place so far in 2010 and 2011. The main issues broached in this context are human rights in the multilateral framework (HRC) as well as in the UE and Brazil.

In the international scene, Brazil and the EU share common values and strategic objectives and are both committed to multilateral diplomacy.

P R E S S

EU COUNCIL SECRETARIAT

Rue de la Loi 175 B - 1048 BRUSSELS Tel.: +32 (0)2 281 9548-5150 / Fax: +32 (0)2 281 80 26
press.president@consilium.europa.eu - www.european-council.europa.eu/the-president/summits-with-third-countries

Trade relations

Brazil is the EU's 10th trading partner, immediately after India, accounting for 2.2% of the EU's total trade. The EU is Brazil's main trading partner accounting for 22.2% of its total trade. In 2010, EU companies exported to Brazil goods worth €31.3 billion. Imports accounted for €32.3 billion for an overall trade deficit in goods of 971 m. However, the EU's relative importance in Brazil's imports diminished slightly over the last few years, mainly due to the strong growth of Chinese exports to Brazil.

Around 90% of EU27 exports to Brazil in 2010 were manufactured goods (cars, medicines and aircraft). The largest Brazilian export product to the EU is iron, which together with other minerals and crude materials represented 34% of Brazilian exports to the EU. The second export category is food and live animals, representing 26% of Brazil's exports into the EU. Brazil remains the EU's most important provider of agricultural products.

As to services, in 2010 the EU27 exported €9.9 billion of services to Brazil, while imports amounted to €5.5 billion, meaning a surplus of €4.4 billion for the EU.

Brazil attracts 40% of EU's Foreign Direct Investments (FDIs) outflows into Latin America. The EU is the biggest foreign investor in the country with more than 40% of the total stock of FDIs in 2009 (€132 billion, more than double of EU FDI stocks in China and more than those in China and India combined).

Sectoral Dialogues and Exchanges

20 sector dialogues have been established so far in the following areas:

1) Energy, 2) Environment and Climate Change, 3) Information Society, 4) Maritime Transport, 5) Regional Development and Territorial Integration, 6) Satellite Navigation - "Galileo", 7) Science and Technology, 8) Social Policies and Social Cohesion, 9) Culture, 10) Education, 11) Air Transport, 12) Nuclear issues, 13) Economic and Financial issues; 14) Administrative cooperation on competition issues; 15) Financial services; 16) Statistics; 17) Institutional strengthening and state modernization; 18) Sanitary and Phyto-sanitary Consultation Mechanism; 19) Industrial pilot-regulatory dialogues (textile, steel, non-ferrous minerals); 20) Intellectual International Property Rights.

A Co-operation Agreement between Euratom and Brazil in the field of fusion energy research was signed in Brasilia in November 2009 (not yet into force pending the completion of the ratification procedure by Brazil).

A horizontal and an air safety agreement were signed at the 4th Summit held in Brasilia on 14 July 2010. Negotiations have been concluded on a comprehensive air transport agreement (open-skies agreement) in March 2011.

Two short-stay visa waiver agreements (for ordinary and diplomatic passport holders) were signed in October 2010. The former entered into force on 1 April 2011 whilst entry into force of the latter remains pending, subject to the approval of the Brazilian Senate.

Scientific Co-operation

A thematic agreement aiming to increase reciprocal co-operation in the field of Science and Technology was concluded with Brazil in 2005.

Brazil ranked fourth amongst third countries / non associated country under the 6th EU Research and Development Framework Programme with a dominant position in Latin America.

Under the 7th Framework Programme, results are also extremely positive: 855 proposals with 1231 Brazilian participants were received and 186 with 266 Brazilian applicants were retained for funding with an EU contribution of €24 million. 91 grant agreements with a total of 119 Brazilian participants are already signed and ongoing.

The main research areas in which Brazilian research teams participate are Transports, Food/Agriculture/Biotechnology, ICT, Energy and environment.

Coordinated calls on 2nd generation bio fuels and new therapeutic approaches in health are being implemented.

R&D cooperation in the Information and Communication Technology (ICT) field has been an area of major progress in this context, notably through the coordinated call with Brazil that is under preparation with an amount of €5 million from each side covering Future Internet, Micro-systems and Nano-electronics, Control Systems and e-Infrastructures

EU-Brazil Development Cooperation

The EU identified two priorities in its assistance to Brazil for the period 2007-2013: 1) Enhancing bilateral relations; and 2) Promoting the environmental dimension of sustainable development. An indicative allocation of €61 million has been attributed to Brazil for the period.

The Strategic Partnership foresees cooperation between the EU and Brazil in the area of development by means of better coordination within relevant international fora and through trilateral cooperation. Promoting triangular cooperation with Brazil in developing countries (notably Portuguese Speaking Africa and Timor-Leste) has been agreed at the highest level for cooperation in sectors such as health, energy, agriculture, education, justice and security sector reforms.

Brazil and MERCOSUR

Argentina, Brazil, Uruguay and Paraguay founded in 1991 the Mercado Común del Cono Sur (MERCOSUR) with the objective of setting up a common market and a custom union. The EU supported MERCOSUR since the outset. In 1995, the EU and MERCOSUR concluded an Inter-regional Framework Cooperation Agreement. Brazil represents 70% of MERCOSUR's GDP and 80% of its population.

MERCOSUR is a large market, with considerable growth potential and its member states are weathering well the present crisis. Total GDP of the region reaches €1800 billion, more than South Korea, India or Russia. Average annual GDP growth in the block exceeded 5% over the past 7 years. In terms of EU exports, MCS ranks on par with India and ahead of both Canada and Korea. EU investments in Mercosur amount to more than €165 billion, more than EU investments in China, India and Russia combined.

The EU is currently negotiating with MERCOSUR for concluding Association Agreement (AA). Negotiations started in 1999 and, although stalled in 2004, the process was re-launched in May 2010 at the EU-LAC Summit. Six rounds of negotiations have been held since 2010, with the next one to take place in Montevideo on 7-11 November.

The AA will contribute to strengthen EU-MERCOSUR cooperation in international fora on themes such as, just to name some, the reforms of global governance and the IFIs, climate change, G20, human rights, and the fight against poverty. Three MERCOSUR State Parties are contributors of military personnel to UN DPKO Missions, and the EU is DPKO biggest financial contributor, therefore Peace and Security also offer good prospects for cooperation, as was the case in Haiti.

MERCOSUR made considerable progress in its own integration since the re-launch of these negotiations: the recent approval of a common custom code, the agreement on direct elections of the Parlasur, the creation of the post of High Representative for MERCOSUR are all signs of a renewed regional integration interest.
