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MOTION FOR A RESOLUTION

further to Question for Oral Answer B7-0553/2012

pursuant to Rule 115(5) of the Rules of Procedure

on trade negotiations between the EU and Mercosur
(2012/2924(RSP))

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on behalf of the Verts/ALE Group

European Parliament resolution on trade negotiations between the EU and Mercosur (2012/2924(RSP))

The European Parliament,

- having regard to the EU-Mercosur Interregional Framework Cooperation Agreement of 1995, signed in 1995 and in force since 1999,
 - having regard to its resolution on ‘EU agriculture and international trade’, of 8 March 2011¹,
 - having regard to Article 21 TEU and Article 208 TFEU, which require the EU to respect policy coherence, including in its external action, development and trade policy,
 - having regard to the question to the Commission on the state of play of EU-Mercosur trade relations (O-000218/2012 – B7-0553/2013),
 - having regard to Rule 115(5) of its Rules of Procedure,
- A. whereas an EU-Mercosur Interregional Framework Cooperation Agreement has been in force since 1999 and has provided a useful and adequate basis for ever-increasing trade relations between the two blocks;
- B. whereas the EU launched negotiations for an Association Agreement with four Mercosur countries in 1999 with the overall aim of reaching a bi-regional Free Trade Agreement; whereas these negotiations stalled in 2004 and were relaunched in 2010;
- C. whereas Mercosur is engaged in a process of reshaping and enlargement, as well as institutional consolidation, with Venezuela a full member since mid-2012, Bolivia becoming an acceding member in December 2012, and Chile, Colombia, Ecuador and Peru having associate member status, while Paraguay’s membership has been suspended since the coup in June 2012;
- D. whereas this regional integration process must be seen in the wider context of recent efforts to integrate Latin America and the Caribbean politically, economically and socially, with UNASUR, CELAC and ALBA as the main institution-building entities, striving, at different levels, for the development of a new economic-financial architecture which provides a shield against the root causes of the global financial crisis;
- E. whereas the member countries are very unequal among themselves in terms of social and economic development, and whereas any integration process must focus on and overcome a number of internal problems first;
- F. whereas trade not only within the Mercosur countries, but also between Mercosur and the EU, is fundamentally unbalanced; whereas the EU sources almost 20 % of its agricultural

¹ OJ C 199 E, 7.7.2012, p. 48.

imports from Mercosur, while EU exports to Mercosur mainly consist of industrial products;

- G. whereas the EU has to a great extent outsourced protein production for animal feed, and is further outsourcing energy crop production to Mercosur countries, with a negative impact on biodiversity, forests and water, climate change, food security and sovereignty, land use, land ownership, rural exodus and the spread of slums in the areas of big cities;
 - H. whereas EU investors' decisions have been driven by considerations other than existing BITs (Bilateral Investment Treaties), as exemplified in the case of Brazil, which has not put into force any BIT and which nevertheless by and large attracts most of the foreign investment into the Mercosur region;
 - I. whereas Brazil's policy on intellectual property takes account of new challenges, particularly concerning generic medicines and free software, with positive effects for disease prevention and healing, as well as achievable access to internet for all, and should be further developed;
 - J. whereas current efforts in the EU to re-regulate the financial sector in order to stop and shield the EU from a further escalation of the multiple crisis could be undermined by provisions on the liberalisation of financial services as spelt out in the negotiating practices of DG Trade;
 - K. whereas impact assessments (IAs) and sustainability impact assessments (SIAs) concerning a possible EU-Mercosur trade agreement, delivered in 2011, have revealed no significant economic welfare gain for the EU, and potentially significant adverse impacts on global biodiversity and climate change;
- 1. Underlines the fact that political and trade relations between the EU and Mercosur have so far been satisfactorily underpinned by the existing Framework Cooperation Agreement, as demonstrated by ever-increasing political cooperation in international fora, on the one hand, and trade volumes on the other;
 - 2. Remains unconvinced that both partners should speed up the negotiations towards a new Association Agreement, and invites the Commission to assess the existing negotiating directives with a view to proposing changes which take account of the changing nature and composition of the Mercosur block;
 - 3. Expresses its worries about the general trend towards reverting to exporting of primary goods from Latin America to the EU, which is also taking place in Mercosur, as a consequence of increasing international demand for raw materials for industrial production, food and feed and energy, which is leading to numerous social conflicts;
 - 4. Is convinced that any new agreement between the two blocks must effectively stop and reverse the current trend to increase Mercosur agricultural exports in exchange for rising EU exports of machinery and services, and that it must produce tangible welfare gains for all partners, respect the policy coherence principle enshrined in the treaties, and comply with international environmental objectives and climate imperatives;

5. Underlines the fact that negotiating efforts must carefully avoid any strategy of splitting up the block, and must rather consider the region as a whole; and that they must support a rebalancing of current trade patterns and economic power shares, with a view to making them ecologically sustainable;
6. Invites the parties to engage in result-oriented talks on adequate consultation of the communities concerned with agricultural and mining projects, on the legal responsibility of investors for damage caused, including after the finalisation of projects, in particular in the energy, mining and agro-business sectors, on legal enforcement, and on access to justice for victims, as a matter of urgency;
7. Welcomes Brazil's legislation concerning intellectual property, and invites all parties concerned to develop and adopt similar provisions in their future agreements; asks the Commission to respect Brazil's decision not to conclude bilateral investment treaties with third countries;
8. Urges the Commission to refrain from further aggressive stances against Argentina, which jeopardise relations with the whole of Mercosur, and to respect its industrial and tariff policy; in this context invites the Commission to withdraw from its current DSM initiatives against Argentina;
9. Recalls that the negotiating directives for the EU-Mercosur Association Agreement were adopted by the Council in 1999 and do not reflect the need to find answers to major problems of the current century, such as climate change and the global financial crisis; urges the Commission to review its negotiating patterns concerning the liberalisation of the financial sector in order to avoid conflicts with EU re-regulation efforts;
10. Instructs its President to forward this resolution to the Council, the Commission, the EEAS, the governments of the Member States, the governments and parliaments of the Mercosur countries, and the Parliament of Mercosur (Parlasur).