

WRITTEN QUESTION E-0184/07

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to the Commission

Subject: Liability of European companies in Argentina and Uruguay

In 2002 an agreement was negotiated between the Spanish company Ence and the Finnish industrial group Botnia, manufacturers of cellulose pulp. The two companies then began to build plants on the international waters of the River Uruguay. This river is situated on the frontier between Uruguay and Argentina; the towns of Fray Bentos in Uruguay (population 23 000) and Gualaguayachù in Argentina (population 90 000) are respectively 4 and 12 km away.

Construction of the cellulose factories has caused a social and diplomatic dispute which has had social and economic repercussions for the people living in these two towns.

To solve the problem the two countries turned to the World Bank's International Financial Society, the International Court of Justice in The Hague and the Inter-American Court of Human Rights; they also appealed to the the Mercosur disputes settlement system. None of these actions resulted in settling the dispute.

In view of the provisions for environmental protection and human rights in the third-generation bilateral agreements signed between the EU and Argentina, and between the EU and Uruguay, what steps has the Commission taken or is the Commission planning to take to settle this dispute?

Will the Commission be carrying out a study of the social and environmental impact in connection with these companies' activities?

Has the Commission made plans to include in the association agreement with Mercosur a chapter concerning compliance with environmental standards?

Are there inspection and surveillance mechanisms for the application of ECG technology, a method based on chlorine dioxide, which is being used by these companies in Uruguay?