## **EUROPEAN PARLIAMENT**

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B5-0512/2002 }
B5-0513/2002 }
B5-0514/2002 }
B5-0515/2002 }
B5-0516/2002 }

RC1

## JOINT MOTION FOR A RESOLUTION

pursuant to Rule 42(5) of the Rules of Procedure by

- José Ignacio Salafranca Sánchez-Neyra, on behalf of the PPE-DE Group
- Enrique Barón Crespo and Rolf Linkohr, on behalf of the PSE Group
- Carles-Alfred Gasòliba i Böhm, Marieke Sanders-ten Holte and Willy C.E.H.
   De Clercq, on behalf of the ELDR Group
- Alain Lipietz, on behalf of the Verts/ALE Group
- Pedro Marset Campos and Giuseppe Di Lello Finuoli, on behalf of the GUE/NGL Group
- Luís Queiró, on behalf of the UEN Group

replacing the motions by the following groups:

- PPE-DE (B5-0511/2002),
- UEN (B5-0512/2002),
- PSE (B5-0513/2002),
- ELDR (B5-0514/2002),
- Verts/ALE (B5-0515/2002),
- GUE/NGL (B5-0516/2002),

on Mercosur

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## **European Parliament resolution on Mercosur**

## The European Parliament,

- having regard to its resolution of 15 November 2001 on a global association and a common strategy for relations between the European Union and Latin America,
- having regard to its previous resolutions on the situation in Latin America, in particular its resolutions of 15 May and 30 May 2002 on the occasion of the second Summit of Heads of State and Government of the European Union, Latin America and the Caribbean held on 17 and 18 May 2002,
- having regard to its resolution of 2 July 2002 on the situation in Argentina,
- having regard to the particularly difficult circumstances currently affecting the countries which make up Mercosur,
- A. whereas the Argentinean economy has been particularly affected recently by the economic recession, so that the country has been unable to meet its payment obligations and whereas the recession is seriously undermining the basic economic and social rights of its citizens,
- B. whereas the majority of the population in the countries concerned lives below the poverty (and even the extreme poverty) threshold, as in the case of Argentina in particular, even though the latter country has over the last ten years implemented the IMF's recommendations to the letter,
- C whereas the aid provided by the international financial institutions to the various countries since the current crisis began has been very unevenly distributed,
- D. whereas the contagion (the 'tango effect') has affected not only Uruguay and Paraguay, but has also spread to the leading economic power on the South American continent, Brazil, and also has an indirect impact on the functioning of Europe's economy,
- E. whereas the EU is Mercosur's main trading partner and investor,
- F. whereas an association agreement is currently being negotiated between Mercosur and the European Union and ought to be concluded towards the end of 2003,
- G. whereas it is essential in a globalised economy to act in concert, particularly within the IMF, where the nominal weight of the Member States is far greater than their real influence,
- H. whereas the external debt problem of the four countries needs to be reviewed and resolved,
- I. whereas European investment in Latin America has been channelled mainly into production

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sectors and has been based on permanence, as a source of job creation and wealth,

- J. whereas good governance is a pre-requisite for sustainable economic and social development,
- 1. Deeply regrets the current situation of generalised crisis in the Mercosur countries; hopes that a solution will soon be found to the dramatic situation affecting the region, which has led to worrying instability and plunged broad sections of the population into abject poverty;
- 2. Calls on the relevant authorities in the Mercosur countries, together with the international financial organisations, to commit themselves to seeking sound, credible and rigorous economic programmes to help re-establish confidence and stability and enable the countries to emerge from the crisis as soon as possible;
- 3. Calls accordingly on the Member States of the European Union to bring their joint influence to bear in the international financial institutions, with a view to ensuring that they introduce lending policies in keeping with the objective of creating jobs and stimulating growth in the Mercosur countries:
- 4. Notes once again that the external influence of the European Union is not commensurate with its economic, trading and financial weight, specifically within the IMF; calls in this connection on the Council of Ministers, until such time as there is sole representation of the European Union with a suitable legal status, to act in concert within that organisation in defence of the European Union's economic and political interests;
- 5. Calls on the Council and the Commission to do their utmost to help the people of Argentina in the search for a solution to the crisis; points out that implementation of sound economic policies is the prerequisite for, and best guarantee of, economic development and calls on the Mercosur countries concerned to implement the necessary reforms to dig themselves out of the economic and social holes they are currently in;
- 6. Welcomes in this connection the Commission's EUR 200 m in assistance for Mercosur, but given the extent of the crisis, and to give Mercosur a sign of confidence and firm support, urges the Council and Commission to use preferential trading mechanisms to foster trade and the region's economic recovery;
- 7. Reaffirms the Union's strategic and supportive commitment to the Mercosur countries and their economic and political integration project; recalls the undertakings made at the Summit of Heads of State and Government of the EU, Latin America and the Caribbean held in Madrid on 17 and 18 May, and the objective of moving towards a bi-regional strategic association with Latin America, adopted at the Rio Summit in 1999, in particular as regards the swift conclusion of the negotiations for the signing of an Association Agreement with Mercosur;
- 8. Hopes that the crisis the region is experiencing will not affect the conduct of negotiations between the EU and Mercosur in accordance with the timetable that has been set; trusts that it will, on the contrary, act as an incentive and stimulus for reaching an agreement that is

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satisfactory to both parties and takes due account of the current situation;

- 9. Urges the Commission and the Council to consider the creation of a bi-regional solidarity fund, as proposed by the European Parliament; reiterates its call for the establishment of a bi-regional association and a joint EU/Latin America strategy covering the whole region geographically;
- 10. Considers that the stability of these economies has also suffered from movements of capital and acknowledges the need to find a swift resolution to the serious debt crisis; calls once more on the European Union to seek structural solutions to the external debt problem;
- 11. Calls on the European Union to provide all possible support to investigate crime in the banking sector in Mercosur and the involvement of foreign financial entities in the flight of capital from Mercosur;
- 12. Calls on European companies operating in the Mercosur countries to be scrupulous in honouring their commitments;
- 13. Instructs its President to forward this resolution to the Council and the Commission, the member countries of Mercosur and the Common Market Council.

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