



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR TRADE

Director-General

Brussels,
TRADE/SW/AN/alf (2019)5834495

Dear Petitioners,

Thank you for your petition regarding the EU–Mercosur negotiations. As you know a political agreement on an ambitious, balanced and comprehensive trade agreement was reached on 28 June. It forms part of a wider Association Agreement which will consolidate a strategic, political and economic partnership with a region with which the EU has longstanding ties. The Association Agreement will also represent a reaffirmation of the two side’s multilateral commitments, not only in the field of trade but also in the fields of environment, climate change and labour standards, at a time when the multilateral system is under strain.

The petition raises a number of issues in relation to the trade agreement and argues that the agreement should not be allowed to enter into force. Let me reassure you that the EU negotiators have been aware of these considerations throughout the negotiation process, thanks to the continuous interaction with the Member States, the European Parliament and civil society, and have done their utmost to take them into account. I believe that what we have negotiated is a good and balanced agreement. Let me explain why.

The petition expresses concerns about threats to environmental and consumers standards. The agreement will promote the effective implementation of several multilateral environmental agreements signed by the EU and Mercosur countries, such as the Paris Agreement, the CITES Convention on Wildlife Trade, which imposes a licensing system to authorise all import and export of species to which it applies. The agreement stipulates that labour, health and environmental standards should not be lowered for the purpose of attracting trade and investment. The two sides have also agreed to a number of commitments on labour. These include a commitment to respect, promote and effectively implement the internationally recognised core labour standards, as defined by the International Labour Organisation (ILO), including those concerning the elimination of all forms of forced or compulsory labour.

In the petition you argue that the agreement undermines the precautionary principle. This is not true. The EU-Mercosur agreement expressly recognises the right to apply the precautionary principle for both sides. This means that the EU or a Mercosur state can

take measures to minimise or avoid a potential risk of environmental harm even if there is scientific uncertainty about such risks. The trade deal secures and enshrines the right to regulate, a right which is key for the EU and which both EU Member States as well as the European Parliament put a strong emphasis also in this negotiation. The EU will not lower environmental, consumer and workers' rights standards as a result of provisions concerning non-tariff trade barriers in the agreement. These provisions are essentially aimed at avoiding discriminatory practices.

As regards EU Sanitary and Phyto Sanitary (SPS) standards, these are not negotiable. They will not be relaxed under this or any other Free-Trade Agreement (FTA). The EU SPS standards are and will continue to be based on assessment of the risks to human health, including risks arising from residues of pesticides in food.

The petition expresses concerns about agri-food imports. The agreement prevents the risk of EU market being flooded with imports in sensitive sectors, such as beef, sugar, poultry, and ethanol. Tariff rate quotas (TRQs) have been carefully calibrated and the EU will only grant access to these products for limited volumes. Concessions on sensitive products will only represent a small fraction of EU consumption sectors, such as beef, poultry or sugar (around 1% of each of these markets). Moreover, the agreement includes a safeguard clause that would allow the EU to suspend the trade preferences should there be possible disruptions or pressure on the domestic industry. At the same time, EU farming communities stand to gain from easier access to the Mercosur market and more opportunities to sell their produce to Mercosur's over 260 million consumers. Exporters of high value-added exports will benefit significantly from the removal of tariffs. I am convinced that this is a very good and balanced deal for the general EU interest.

Finally, the petition raises concerns about the impact of the agreement on deforestation. It is important to recall that in the Sustainable Development Chapter the parties commit to effectively implement the Paris Agreement. Mercosur countries such as Brazil have included commitments on deforestation in their Paris Agreement pledges, reinforced by private sector initiatives such as that of Brazilian meat packers not to source meat from farms in recently deforested areas. Moreover, the EU already imports about twice the amount of beef from Mercosur as that agreed in the quota, most of it subject to full tariffs. Given stable demand for this type of imported beef, we expect that the predominant trend will be to substitute some of the beef currently imported at the full rate with beef imported at a lower tariff rate under the quota. Therefore, we do not expect a significant increase of beef imports from Mercosur. At a more general level, the EU recently affirmed its commitment to tackle deforestation in the [Communication on Stepping Up EU Action to Protect and Restore the World's Forests](#)¹. Many of the proposed trade-related actions in the Communication are in line with provisions in the EU-Mercosur agreement.

¹https://ec.europa.eu/info/publications/eu-communication-2019-stepping-eu-action-protect-and-restore-worlds-forests_en.

The EU-Mercosur Association Agreement will consolidate a strategic political and economic partnership with a region with which the EU has longstanding ties. It will also represent a reaffirmation of the two sides' multilateral commitments, not only in the field of trade but also in the fields of environment, climate change and labour standards, at a time when the multilateral system is under strain. I believe that the alternative of no agreement would in fact be worse because it would not give the EU such a comprehensive legal framework to engage with partner countries on environment, human rights and labour standards.

Yours faithfully,



Sabine WEYAND