

STUDY

Requested by the INTA committee



Trade aspects of the EU-Mercosur Association Agreement



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ABSTRACT

In this study we analyse the provisions of the EU-Mercosur trade agreement (EUMETA) in its form presented by the European Commission. Our analysis covers the potential macroeconomic effects of the agreement that are based on the analysis of the extent of trade liberalisation through the lens of a computable general simulation model, as well as more detailed analysis of trade structure, tariff structure, non-tariff protection and the trade-related provisions of the agreement including trade in services and government procurement. Moreover, we analyse the institutional provisions of the EU-Mercosur Association agreement (EUMEAA) in relation to the positioning of the European Parliament and civil society. We place a special focus on the agri-food sector and some selected sensitive subsectors. The quantitative assessments are amended by qualitative analysis, in particular with regard to the trade and sustainable development chapter of the agreement, issues related to food security and an overview of existing approaches on sustainable development in the Mercosur countries.

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List of abbreviations

AMS	Aggregate Measurement of Support
AoA	Agreement on Agriculture
BIT	Bilateral Investment Agreement
CAR	Certificate Authorizing Registration
CCIE	Comité Consultivo de Integración Económica
CC-SICA	Comité Consultivo del Sistema de la Integración Centroamericana
CDB	Convention on Biodiversity
CETA	Comprehensive Economic and Trade Agreement
CGE	Computable General Equilibrium
CIHEAM	International Centre for Advanced Mediterranean Agronomic Studies
CN	Combined Nomenclature
DAG	Domestic Advisory Groups
EESC	European Economic and Social Affairs Committee
EFSA	European Food Safety Authority
EPA	Economic Partnership Agreements
EU	European Union
EU MS	EU Members
EUMETA	EU-Mercosur Trade Agreement
EUMEAA	EU-Mercosur Association Agreement
	Framework Agreement on relations between the European Parliament and the European Commission
FA	Food and Agriculture Organisation
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investments
FLEGT	Forest Law Enforcement, Governance and Trade
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GI	Geographical Indications
GMO	Genetically Modified Organism
GPA	Government Procurement Agreement
GRSB	Global Roundtable for Sustainable Beef
GSP	Generalised System of Preferences
GTAP	Global Trade Analysis Project
HR	Human Rights
HS	Harmonized System
IACAC	Interamerican Convention Against Corruption
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IIA	Inter-Institutional Agreement
IICA	Interamerican Institute for Cooperation on Agriculture
INI	Own Initiative Report of the European Parliament
ILO	International Labour Organisation
INTA	European Parliament Committee on International Trade
ITTA	International Tropical Timber Agreement
LSE	London School of Economics
MEA	Multilateral Environment Agreement(s)
Mercosur/Mercosul	Mercado Común del Sur/Mercado Comum do Sul – Southern Common Market
MS	EU Member States
NACE	Statistical Classification of Economic Activities In The European Community
NDC	Nationally Determined Contributions

NGO	Nongovernmental Organisation
NMS	New EU Member States
NTB	Non-Tariff Barriers
NTM	Non-Tariff Measures
OECD	Organisation for Economic Co-operation and Development
OEIL	Observatoire législatif du Parlement Européen
OTCA	Organisation for The Cooperation of The Amazon Treaty
PARLACEN	Parlamento Centroamericano
PARLATINO	Parlamento Latinoamericano
PRAI	Principles for Responsible Investments in Agriculture and Food
PS	Performance Standards (World Bank)
PSE	Producer Support Estimate
PTA	Preferential Trade Agreement
RASFF	Rapid Alert System for Food and Feed
RCA	Revealed Comparative Advantage
REDD	Reduction of Emissions on Deforestation and Forest Degradation
SDG	Sustainable Development Goals
SFX	Sao Felix Do Xingu Municipality (Brazil)
SIA	Sustainability Impact Assessment
SME	Small and Medium Enterprises
SPS	Sanitary and Phytosanitary Measures
SSG	Specific Safeguards
STDF	Standards and Trade Development Facility
TAC	Terms of Adjustment of Conduct
TBT	Technical Barriers to Trade
TCI	Trade Complementarity Indicator
TiVA	Trade In Value Added
TNC	The Nature Conservancy
TRQ	Tariff-Rate Quota
TSD	Trade and Sustainable Development
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	United Nations Framework Convention on Climate Change
UNFSS	United Nations Forum on Sustainability Standards
UN-Water	United Nations Water Agency
VGGT	Voluntary Guidelines on The Responsible Governance of Tenure of Land, Fisheries and Forests
VPA	Voluntary Partnership Agreement
VSS	Voluntary Sustainability Standards
WTO	World Trade Organisation
WWF	World Wildlife Fund

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Executive summary

In this study we analyse the provisions of the EU-Mercosur trade agreement (EUMETA) as part of the EU-Mercosur Association agreement (EUMEAA) in its available form (presented by the European Commission on its website, Annexes and schedules as of July 2021). The agreement was negotiated over 20 years and has been in the phase of legal scrubbing since 2019. The negotiations were accompanied by intense public debates, which are still taking place today. A differentiated description of the effects of the agreement is, therefore, important in order to contribute to the public discussion. Our analysis covers the potential macroeconomic effects of the agreement that are based on the analysis of the extent of trade liberalisation through the lens of a computable general simulation model as well as more detailed analysis of trade structure, tariff structure, non-tariff protection and the trade-related provisions of the agreement including trade in services and government procurement. We place a special focus on the agri-food sector and explore selected sensitive subsectors where we go in detail not available in general equilibrium modelling. We also put a strong emphasis on the trade and sustainable development chapter of the agreement as well as issues related to food security and give an overview on existing approaches on sustainable development in the Mercosur countries.

The expected **macroeconomic effects** of the EUMETA are in line with the ones found by the European Commission Sustainability Impact Assessment (LSE, 2020). In general, the effects are at a low level as regards GDP, output and employment. In particular, on the EU side, the gains in economic activity are of the order of about 0.1 % with the gains to the Mercosur economies ranging from 0.0 % in Paraguay to 0.5 % in Uruguay. In the EU, the smaller, more open and those economies who already trade a lot with the Mercosur countries on average gain more than others. In sectoral terms, the trade agreement is expected to deepen the existing pattern of trade specialisation, i.e., in the EU expansion is expected in manufacturing sectors, such as chemicals, machinery and transport equipment, while in the Mercosur countries output expansion is expected in the agri-food sector. These expected changes are, in percentage terms, greater on the Mercosur side than they are at the EU side.

The expected **macroeconomic** and **sectoral effects** are in line with the overall trade developments. When trade in goods is concerned, the four Mercosur partners account for less than 2.5 % of all extra-EU exports. Moreover, in nominal terms both imports and exports have been falling for a decade and this fall is also recorded in relative terms, i.e., other extra-EU trade partners have been gaining in both EU imports and exports shares compared to trade with the Mercosur countries. On the other hand, the large EU market is responsible for a large share of Mercosur exports, ranging from 11 % in Uruguay to almost 15 % in Paraguay. The analysis of the existing structure of trade points to large complementarities across the two groups of partners as the structure of overall extra-EU imports corresponds well to the structure of Mercosur exports and vice versa. Analysis of the structure of comparative advantages confirms this conclusion. The agri-food sector is the only sector where both EU and Mercosur reveal comparative advantages and where a certain degree of competition is to be expected.

We show that current coverage of **tariff protection** in the EU is considerably smaller than it is the case in Mercosur. In particular, in overall goods 64.1 % of EU imports from Mercosur are already duty-free, while the corresponding number for Mercosur imports is only 6.4 %, with comparable levels of protection in the agri-food sector on both sides but a significantly higher tariffs in other manufacturing sectors in Mercosur. Therefore, the degree of tariff liberalisation is asymmetric with overall greater degree of liberalisation in Mercosur imports. After the full implementation of the agreement over 90 % of merchandise trade will be duty-free in both directions, but given the long-term phasing in of the agreement over several years, on the Mercosur side this protection level will be achieved later.

On **non-tariff protection** the analysis shows that trade in both directions is heavily regulated, mostly by technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS). We show, on the basis of

empirical analysis and the review of literature, that regulations in the EU are on average stricter, and they have a more negative effect on imports from Mercosur than it is the case for merchandise trade in the opposite direction. We conclude that due to more stringent regulations, it will be overall easier for the EU producers to meet Mercosur regulations than for the Mercosur producers to meet the EU ones. We also analyse the provisions of the EUMETA on the envisaged regulatory cooperation, which include dialogue on introducing new regulations and improvements on the flow of information. While they are not likely to lead to a reduction of health, safety and environmental standards already present in the EU, they may facilitate convergence of Mercosur's members national regulations to the EU practices and international standards, leading to a gradual reduction of unnecessary technical barriers to trade.

On agriculture we focus in more detail on the complex trade provisions which are to a large degree liberalising, i.e., opening market access. However, there are exceptions on both sides for sensitive products: The EU employs a greater number of tariff-rate quotas (TRQs), whereas the Mercosur side mainly excludes certain products from liberalisation. The complexity of trade rules on agriculture requires additional in-depth analysis supplementing modelling results: different results on specific bilaterally relevant products compared to the modelling results can be seen: e.g., on beef, a more negligible effect is likely than often claimed and for soy direct effects are even smaller. For often underexplored goods like olive oil, further analysis is necessary to assess the impact.

The support of high-quality production under **geographical indications (GIs)** shows some conflicting areas where both sides have an interest in supporting similar products like wine and dairy products, whereas for some economically relevant products (such as, e.g., olive oil) no GI at Mercosur side had been defined. On **SPS**, no immediate risk due to the agreement per se can be concluded as the safety and controls status system remains. But as an increase in trade is envisaged, accompanying cooperation and capacity building on control systems become more relevant. **Safeguards** exist in the usual design in FTAs, i.e. in terms of protective tariffs. As they may be counterproductive, primarily to address food security, long-term measures appear more effective for tailor-made support of sustainable development than such safeguards.

In the **TSD** chapter of the EUMETA Mercosur countries for a first time commit in a trade agreement to mainstreaming sustainable development in a way similar to long-standing EU practice. The chapter does not fully cover all concerns, particularly on deforestation through land use and land use changes. Also, in line with EU practice, its enforcement is less rigid than for the agreement in general. A roadmap-type process could give additional support to compliance.

The existing public and private frameworks can be useful for building a pathway towards **sustainable development beyond and accompanying the agreement**. For example, there is an extensive collection on forestry legislation existing in Mercosur countries complemented by a catalogue of product-specific private certification schemes. Increasingly covered is the integration of indigenous people in most Mercosur countries. Here enforcement should be supported by bilateral exchange, in particular with local actors.

The **chapter on public procurement** is also a significant achievement in that it contains commitments from the Mercosur partners on key principles such as transparency in the award of public contracts. The impact of the agreement will depend on its implementation at domestic level. There are detailed schedules governing the degree and scope of competition in the Mercosur public contract markets. In practice the goals of open competitive markets and the development aims of the Mercosur partners will be best achieved by the promotion of integrity and objectivity in the award of public contracts. If effectively implemented the procurement chapter can make a real contribution to this, especially if supported by other forms of cooperation and capacity building.

In the recent years the EU-Mercosur **services trade** has continued growth at a faster rate than trade in goods. However, economic crises in Brazil and Argentina have meant that services trade with Mercosur accounts for a smaller proportion of the EU's global services trade than it did in 2015. Aside from these broad temporal trends, EU 27 trade flows with Mercosur are smaller than it was in the case of EU 28. As with most of global trade, the pandemic has negatively impacted services flows between the EU and Mercosur. Looking ahead, the rise of digital trade could offer some compensation for losses in transport and travel due to covid. We show that the EU-Mercosur FTA represents another opportunity to bolster services flows. It adopts a GATS-like Schedule of Specific Commitments in regard to market access and national treatment. Whilst GATS-plus commitments are generally modest, the agreement would offer EU providers a first-mover advantage in accessing Mercosur's markets, relative to exporters from other countries.

On employment the results of the CGE simulations show similar pattern as in case of output changes, i.e., the EU members (EU MS) expanding in manufacturing sectors and Mercosur countries – in agri-food. In the Mercosur countries, the most pronounced negative shifts are expected in the machinery and automotive sectors with largest increases in vegetables, fruits and nuts, cereals and meat. In the EU, the largest increases are on average expected where employment is supposed to drop in the Mercosur countries: in the machinery and automotive sector. However, the expected results of the agreement on employment are mild compared to the effects of COVID-19. The important additional effects of the agreement on the conditions of the local labour markets in Mercosur can also stem from the commitments towards sustained efforts in ratifying the fundamental ILO conventions related to labour rights, an area where Mercosur is lagging behind the EU.

Regarding the role of the European Parliament and of the Association Parliamentary Committee, we analyse the respective EUMEEA provisions against the backdrop of the European Parliament's reports, resolutions and questions. In addition, we take a closer look into the European Parliament's rights and responsibilities in the area of CCP and international agreements. To facilitate Parliament's evaluation of the EUMEEA's institutional provisions, we give a brief overview on comparable chapters of pre- (EU-Chile) and post-Lisbon (EU-Central America) association agreements with regard to the Association Parliamentary Committee.

Regarding the envisaged links between the **Civil Society Forum** and other institutions, we show that the EUMEEA only establishes a direct link between the Civil Society Forum, the Association Council and the Association Committee, without taking into account potential links between the Forum and the Association Parliamentary Committee.

1 Introduction

The European Union (EU) and Mercosur (Mercado Común del Sur – Southern Common Market) trade agreement (EUMETA) finalised in 2019 is the first large-scale trade agreement of the Southern Common Market. It covers roughly 25 % of world GDP and a market of 780 million consumers. This is an economically significant agreement as the trading partners' bilateral importance is high (EU is the Mercosur's largest trading partner and Mercosur is EU's second). Moreover, the trade barriers on the part of Mercosur are significant. This applies both to tariffs and non-tariff measures (see, e.g., UNCTAD, 2017) and hence the trade liberalisation covering over 90 % of tariff lines, with initial tariffs on such important sectors such as automobiles at 35 % and machinery and equipment at 14-20 %, the agreement is certainly creating new opportunities for several EU sectors including services where selected barriers will also be removed. The Agreement also creates opportunities for the EU food sector mainly through lowering of non-tariff barriers on the part of Mercosur as well as protection of geographical implications.

However, the Agreement raises some concerns. For example, for the Mercosur, the manufacturing sector in Latin America has been largely regionally focused and insulated by high protection rates. While in general advisable, opening to foreign competition can have short and medium-run adverse effects on its output. This may add to the harmful effects of the COVID-19 pandemic on employment and income distributions, in particular in the underdeveloped automotive and machinery industries. For some sectors, competitive burden is expressed by selected actors: e.g., the EU-side is likely to face increased competition by less expensive products gaining more market access. There are also concerns related to sustainability, the protection of labour and human rights in the Mercosur countries, as well as to environmental standards including deforestation practices due to an expanding agricultural production, initiated by increased market access. Within the EU, some governments, NGOs, and Members of Parliament ask the EU's precautionary principle to be maintained in the Agreement allowing for trade-impeding regulations to assure sustainability. Such concerns touch the general and strategic question, recently debated in the European public and among political actors, whether such risks should result in not ratifying the Agreement. To meet these concerns, EU-internal accompanying legislative measures are currently also being discussed, which could minimise the assumed risks.

This study looks at those aspects of the EU-Mercosur Association Agreement (EUMEEA) that are directly related to international trade and those affected by trade in other areas of the social and economic life of EU and Mercosur citizens. The analysis of the implications of the EUMEEA are based on a mix of qualitative and quantitative analysis. The former is primarily based on a review of ample literature on the EU-Mercosur trade relations and the legal analysis of the EUMETA's and EUMEEA's content. On the other hand, the quantitative analysis will take into account the results of previous quantitative exercises, our own model simulations, and the statistical and econometric analysis of trade flows and trade barriers. Descriptive case studies complement the quantitative results. The study also provides for a comprehensive overview of Parliament's activities regarding steering trade relations with Mercosur and systematic analysis of Parliament's main political messages, positions, and controversies. In addition, we look at different ways of and means for participation of civil society organisations and social partners in the implementation and scrutiny of the agreement.

European Union's share in world trade has been in a long-term decline since at least a decade. Its share in the global merchandise exports of good fell from 17.3 % in to 15.9 % in 2019 (extra-EU trade only, Eurostat). Similar trends are found for the core four Mercosur countries Argentina, Brazil, Paraguay and Uruguay with the share in global exports dropping from 1.5 % to 1.3 % in the same period (WTO data). And while their exports increased in the last decade in nominal terms, their growth was lower than that of other, countries, mainly the countries of Asia including China, where the manufacturing facilities have been offshored to for at least two decades with the peak just before the global financial crisis of 2009. Advanced countries

exports growth has been slow since 2009, also due to the failure of advancing global trade liberalisation through the Doha round of the WTO. Instead, a cobweb of preferential trade agreements has emerged gradually with the EU major external trading partners in an effort to improve the EU competitiveness and slow down this unfavourable trend. This means, in essence, opening up the EU market to competition, lowering price distortions and boosting productivity growth but on the other hand, improving export opportunities, gaining global market shares and improving the scale of production.

Unlike in the EU, the degree of openness to international trade in the Mercosur countries is limited. Upon its inception in 1991, Mercosur's members established the bloc's ambitions for the 'free movement of goods, services, and factors of production between countries' (CFR, 2019). Since then, progress has been incremental and the extent of integration and institutionalisation remains limited. The coordination of macroeconomic policies is infrequent and the union's common external tariff is only partially implemented (Global Trade Alert, 2018). Meanwhile, Mercosur's free trade zone is somewhat undermined by 'exceptional' levies on sensitive products like sugar, automobiles and capital assets (Gayol, 2021). Limited integration is largely symptomatic of members' contrasting policy approaches. Historically, the interests of Argentina and Brazil have been particularly difficult to reconcile.

In many ways, the last six years exemplify this trend. From 2015 to 2017 Brazil endured its deepest recession since records began. Political crises undermined investor confidence, while falling commodity prices prompted a significant increase in unemployment. Brazil's subsequent recovery has been sluggish and recently compromised by the coronavirus pandemic. Like Brazil, Argentina has suffered its own economic troubles. Successive governments have grappled with unsustainable debt, currency depreciation, inflation and recession. Economic issues have been exacerbated by the ongoing pandemic. The governments of Argentina and Brazil have adopted divergent policy response. With regards to trade, the Brazilian government has attempted to liberalise by negotiating free trade agreements, reducing import duties and streamlining bureaucracy. By comparison, Argentina has sought to boost exports by nurturing domestic industry with the continuation of protectionist measures. Distinct unilateral initiatives have inevitably hindered regional collaboration. In April 2020, Argentina suspended its participation in all ongoing Mercosur trade talks to focus on its domestic response to the coronavirus crisis (Alden & Dunst, 2021). The suspension excluded agreements that have already been signed (with the EU and the EFTA) but did include prospective accords with South Korea, Singapore, Lebanon, Canada and India. Whilst Argentina is now participating on an 'on-and-off' basis in various negotiations, its initial withdrawal underscores the fragility of Mercosur as an alliance and prospective FTA partner (Gayol, 2021). These cross-country differences and persistent protectionism contributed to the very lengthy process of negotiations of the EUMEEA and EUMETA.

In this study, we show that the macroeconomic effects of the EUMETA are not very large for the EU. This is not surprising as the share of Mercosur countries in EU exports is low.¹ Even with a substantial liberalisation of market access to Mercosur markets, the direct economic gains from trade liberalisation with Mercosur are of the order of 0.1 % of GDP. On the other hand, expected gains for the Mercosur countries are substantially higher but still moderate. However, one has to keep in mind that this is one of many agreements signed by the EU with their small but positive effects adding up to considerably larger numbers. Our analysis shows that the bulk of the output expansion on the EU side is in the manufacturing sector, in particular the chemicals, machinery and equipment sectors, while Mercosur gains are mainly in the agri-food sector. Detailed analysis of the agri-food sectors shows that in the main sensitive products of the EU, large increases of import competition is not expected due to remaining limits to duty-free imports in the form of TRQs.

¹ Based on OECD value added trade data, total exports of goods and services to Mercosur are contributing to at most 0.5% of EU GDP.

Moreover, the economic aspects of EUMETA are not the only ones that have to be taken into consideration when analysing the agreement's overall effects. In particular, as in many of the previous agreements of the EU, there are several provisions that not only improve trading opportunities but also set special requirements for the standards of environmental protection, human and labour rights and protection of indigenous people. These provisions are important, because they can push the Mercosur partners to meet such product quality standards, which in turn reduce the adverse external effects that the economic activity may have on these areas. Moreover, the EU maintains high product safety and health standards which means that if the Mercosur producers want to gain the access to EU markets, they will have to improve product quality as well. Therefore, the bilateral liberalisation efforts of the EU are important as they allow to push the sustainable development agenda around the world and the EU remains a large enough export market to be able to get the trade partners to commit to it.

In our study, we analyse the issues related to sustainable development in detail. Considerable concerns about respective risks, some of which even with global implications like deforestation and related climate and biodiversity effects, have accompanied the negotiations of the agreement over the past 20 years. Therefore, options for better provisions and especially enforcing them are relevant.

All the explicitly linked trade rules in the agreement envisaging sustainability, like incentives in TRQs or safeguarded tariffs, can lose effectiveness when pattern of trade changes. Such a change may appear for many reasons: the partner may conclude a more attractive FTAs with other countries (and less stringent regulations) and/or future tighter EU standards may render exports unprofitable. Trade diversion to countries with lower standards result in leakage of negative external effects. As global goods are often linked to sustainability in the Mercosur region, continuous support beyond trade rules should be considered in any case. They should also relate to existing Mercosur initiatives, using synergies and local compliance already in place.

Therefore, a joint pathway for sustainability can help to find answers on remaining and future risks beyond and in parallel to an FTA such as the EUMETA. In addition to the provisions already included in the EUMETA, it should work towards other, more tailor-made measures. Such a cooperation should build on existing experience and tackle local challenges, and be coordinated with the implementation of local measures supporting sustainability. Parties could build on recent initiatives based on the 15 point action plan by the Commission for a better enforcement of TSD chapters (EU Commission 2018) by means of, for example, the so-called 'handbooks of implementation' that rely on the help of authorities in partner countries and local actors. A pilot has been concluded for Ecuador (National Board of Trade Sweden, 2019) and related experience could also be used proactively for the Mercosur region Other existing docking points already in place in the Mercosur region should be used, both at public and private as well as at regional and national levels. Some pilot programmes also exist at a local level, for instance in Brazil, providing experience on factors shaping the implementation and monitoring of sustainable development in the field.

2 Macroeconomic effects of EUMETA

We use the GTAP computable general equilibrium model (CGE) to evaluate the **macroeconomic impact** of the agreement. The GTAP model elaborated by the Center for Global Analysis at Purdue University is a recognised trade policy evaluation tool. GTAP is a global model that encompasses essentially all regions of the world. The model itself is a system of mathematical equations describing the behaviour of consumers, producers and governments according to established economic theory based on the principles of firm profit maximisation and maximisation of consumer welfare.² The model parameters are calibrated to

² The documentation of the model can be found in Corong et al. (2017).

reflect the macroeconomic data in the analysed countries including economic activity, international trade, cost structure, etc.

We simulate the EUMETA by assuming that in trade in goods a large part of tariffs will be eliminated (except the ones that are explicitly excluded from liberalisation) either completely or partially. Our simulations are similar in design to those presented in LSE (2020) Sustainability Impact Assessment. However, due to a recent publication of tariff schedules, we are able to adjust the details of tariff liberalisation to reflect this recent information. Similarly, as in the LSE (2020), we impose a reduction of non-tariff barriers in both merchandise trade and services while using the same sources for the level of initial trading barriers.

However, our simulation has some important differences with regard to LSE (2020). First, our simulation is static, i.e. we compare the impact of the full extent of the liberalisation to a situation without the trade agreement and we are not able to show the paths of adjustment. Therefore, the results should be understood as the combined impact of the agreement. They can also be understood as long-term as we allow for full labour and capital mobility across sectors. Second, instead of looking at aggregates, when exploring the macroeconomic impacts of the agreement, we look at all countries participating in the agreement separately.³

The **macroeconomic effects** of the agreement are in line with the expectations and similar to those reflected by the LSE (2020). On the Mercosur side, the extra activity due to the agreement generated is of the order of 0.3 to 0.5 % of GDP with similar welfare impact.⁴ The exception is Paraguay, where the agreement has no significant economic impact. On the EU side, the impact on GDP is lower, evaluated at less than 0.1 % of GDP for most analysed countries. The scale of the impact reflects several country characteristics: among others, country openness and existing involvement in bilateral trade between with the partners in the agreement. This explains both the differences across the Mercosur countries as well as the EU MS. Moreover, as the initial share of duty-free imports is higher on the EU side, and both sides are about to reach comparable levels of protection, naturally the impact of the liberalisation on trade of Mercosur will be greater.

Both the difference in the scale of liberalisation and the mutual importance of markets is reflected by the scale of change in international trade of the analysed countries. The overall imports (goods and services combined) on the Mercosur side are expected to go up by a considerable higher percentage than in the EU (0.3 % increase in exports in Paraguay to 3.9 % in Brazil). On the EU side, the increase in imports stays below 0.4 %. Similar conclusions apply to exports. It is important to note that these changes of trade presented in Table 1 reflect total exports and imports of the analysed countries, and not just trade between the parties of the agreement. They encompass the increase in trade between Mercosur and the EU, as well as shifts in trade with third countries, trade between Mercosur countries and intra-EU trade.

The positive welfare effects are also reflected in the change of real wages (real wage is the nominal wage relative to the consumer price index). Wages of both skilled and unskilled workers rise in both regions. The differences in changes across the skill levels are not pronounced, therefore the simulations do not show large potential effects on income distribution. Since there are differences in comparative advantages across the regions (EU export structure is skewed towards capital-intensive goods) which is also going to be reflected in the relative changes of production of industrial goods and agri-food products (see Table 2), real returns to capital are expected to increase in the EU and decrease in selected Mercosur countries. However, these changes are also not very significant.

³ This slightly different approach from LSE (2020) is taken to be able to provide the aggregate macro results for individual EU member states, which is done at the cost of the dynamic modelling which would require construction of long-term baselines for each of the member states.

⁴ Welfare is expressed as the so-called equivalent variation – a value of a lump-sum transfer that the consumers would need to receive in the absence of the agreement to be as well off as with the agreement in place.

Table 1 Simulation results: macroeconomic effects

	GDP	Welfare (% of GDP)	Imports	Exports	Real wages skilled	Real wages unskilled	Return to capital
Argentina	0.3	0.2	2.5	2.9	0.4	0.3	-0.3
Brazil	0.3	0.1	3.9	5.6	0.4	0.3	-0.1
Paraguay	0.0	0.0	0.3	0.6	0.3	0.2	0.3
Uruguay	0.5	0.3	1.4	1.8	0.8	0.7	0.0
Austria	0.0	0.0	0.1	0.1	0.1	0.1	0.0
Belgium	0.1	0.1	0.3	0.3	0.3	0.3	0.2
Bulgaria	0.0	0.0	0.1	0.0	0.0	0.1	0.0
Croatia	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Cyprus	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Czechia	0.1	0.1	0.2	0.2	0.2	0.2	0.0
Denmark	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Estonia	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Finland	0.1	0.1	0.2	0.1	0.1	0.1	0.0
France	0.0	0.1	0.3	0.2	0.1	0.1	0.0
Germany	0.1	0.1	0.4	0.2	0.2	0.2	0.0
Greece	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Hungary	0.1	0.1	0.3	0.3	0.1	0.1	0.1
Ireland	0.3	0.2	0.3	0.3	0.2	0.2	-0.1
Italy	0.1	0.1	0.4	0.3	0.2	0.2	0.0
Latvia	0.1	0.1	0.1	0.0	0.1	0.1	0.0
Lithuania	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Luxembourg	0.1	0.1	0.2	0.1	0.2	0.1	0.1
Malta	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Netherlands	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Poland	0.0	0.0	0.1	0.1	0.1	0.1	0.0
Portugal	0.1	0.1	0.4	0.3	0.2	0.1	0.0
Romania	0.1	0.1	0.2	0.1	0.1	0.1	0.0
Slovakia	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Slovenia	0.1	0.1	0.2	0.1	0.1	0.1	0.0
Spain	0.1	0.1	0.4	0.3	0.2	0.1	0.0
Sweden	0.1	0.1	0.3	0.2	0.1	0.1	0.0

Note: Changes in percent. Exports and imports refer to total imports/exports, not just between the agreement partners and include both intra- and extra-EU exports. Source: own simulations.

It is worth noting that the asymmetry in the significance of the macroeconomic effects of the agreement for both sides is in line with the relative importance of trade relations in the size of both economies. OECD **Trade in Value Added** (TiVA) data⁵ allows to understand the contribution of bilateral exports to each country GDP, and while on the Mercosur side this data is available only for Argentina and Brazil, one can easily see the asymmetry. Notably, all exports from the EU to Argentina and Brazil (the bulk of EU exports to Mercosur) contributed in 2015 (latest available year) to 0.1 % and 0.4 % of EU GDP in the same year respectively. This number takes into account all value added (GDP) generated in all the EU MS that is being exported to Mercosur, which means that this includes the value added generated in both the sectors (and EU MS) exporting directly to Mercosur as well as the value added generated in production of intermediate goods and services that are subsequently used in producing those exported goods. Moreover, it also takes

⁵ <https://www.oecd.org/sti/ind/measuring-trade-in-value-added.htm#access>

into account the cross-country differences in the domestic value-added content of exports, which according to OECD TiVA data is higher in Argentina and Brazil than overall in the EU.⁶

Looking at the importance of exports to the EU in the selected Mercosur countries, Argentinian and Brazilian exports to EU were responsible for 1.6 % and 1.9 % of these countries' GDP respectively. Hence, exports to EU are a major source of income in Mercosur and while exports to Mercosur are a rather minor one in the EU, and even if trade increases considerably due to trade liberalisation, these proportions are not going to change strongly, i.e., the boost to the Mercosur economic activity following the agreement is expected to be higher in relative terms.

Turning to sectoral reaction of **output** presented in Table 2, the results are roughly in line with the ones presented in the LSE (2020). Trade liberalisation is expected to strengthen the specialisation already present in trade between the EU27 and Mercosur countries and in line with their comparative advantages (see next section). In particular, we observe that in general, the agri-food sectors⁷ are expected to expand in the Mercosur countries while the industrial sectors are expected to increase output in the EU. On the other hand, the agricultural sectors are expected to slightly shrink in the EU, and the same is true for the manufacturing sectors in Mercosur. In chapter 2.3 we present a more detailed analysis of the situation in the agricultural sector.

While analysing the simulation results one has to keep in mind the standard assumptions governing neo-classical general equilibrium models, i.e., the constraints on factors of production. In other words, while trade liberalisation brings welfare improvements due to the removal of distortions due to taxes and non-tariff barriers, sectors that expand attract labour, capital and other factors of production from other sectors. Modelling experiments have shown that the sectoral reaction of output on the part of the EU is mainly due to labour and capital moving away from agriculture to manufacturing due to the expansion of the latter rather than the increased import competition from Mercosur in the former. In actual markets this depends on the degree of intersectoral labour mobility, which may be restricted by educational skills. On the other hand, the increase in the output on the part of Mercosur is due to increase in exports of agricultural products triggered by an increase of the market access to EU. The increased import competition in manufacturing in Mercosur leads to relocation of factors of production towards agriculture, contributing to further increase of the output of that sector. In reality, such relocation may be difficult due to limited intersectoral labour mobility, skill mismatch, etc. However, taking into account the post-COVID-19 reality in the analysed countries (see also chapter 9), the degree of utilisation of factors of production may allow for sizeable boost in employment with limited intersectoral reallocation, i.e., with post-COVID under-utilisation of labour force, the expansion of EU manufacturing industry does not have to entail a reduction in the output of agri-food sectors.

Taking a closer look at the sectoral output, one can observe that in the Mercosur countries, in particular Argentina, Brazil and Paraguay, the output increase is expected mainly in the agri-food sectors, in particular meat and other animal products as well as vegetables, fruits and nuts. In these sectors on the EU side the trade liberalisation is expected to bring a slight decrease in output that is mainly due to reallocation of resources towards the industrial sectors. In particular, the sectors on the EU part that are expected to grow are mainly machinery and transport equipment, the sectors that have been revealing comparative

⁶ The share of agri-food products in gross exports is higher in Mercosur than in the EU (in 2016 it was 88% in the EU, 93% in Argentina and 90% in Brazil). Agri-food products to a smaller extent rely on imported intermediates than other manufactured goods and therefore the average share of domestic value added per dollar value of exports is higher, while industrial goods manufactured in the EU have a higher share of foreign (extra-EU) value added embedded in the imports of intermediate goods. While the unit sale value of a product exported from the EU might be much higher than that of Mercosur due to these products being more sophisticated, the share of domestic value added per a dollar of sale value is still greater in Mercosur due to the aforementioned reasons.

⁷ Note that similarly to LSE SIA, we aggregate products of the food industry with the products of agriculture, e.g., bovine meat sector contains both live animals and bovine meat products.

advantage in the EU and are also the main exporting sectors to Mercosur countries. These two sectors are also the ones where the largest negative adjustment is expected on the Mercosur side. All these average results must be accompanied by more in-depth analyses considering specifics e.g. like the complex system of liberalisation in the agricultural sector via the use of different tariff rate quotas, as well additional information on the market structure and existing trends (see chapter 3 for agricultural sectors).

Table 2 Sectoral changes in output

	ARG	BRA	PRY	URY	EU27
Cereals	1.0	2.5	0.9	2.0	-0.3
Rice	0.9	0.2	0.7	1.2	-0.8
Vegetables, fruits and nuts	5.4	2.6	0.0	2.6	-0.3
Oil seeds and fats	1.6	1.8	0.0	0.4	-0.3
Sugar	0.8	0.9	1.1	-0.2	-0.5
Other fibres	0.8	1.3	-0.5	1.0	-0.4
Bovine meat	1.9	1.0	0.4	2.6	-0.6
Other meats	0.4	3.2	0.0	-1.7	-0.4
Other animal products	0.6	2.5	0.0	1.4	-0.3
Beverages and tobacco	0.4	0.4	-0.3	0.0	0.0
Dairy	0.8	0.1	0.1	-0.6	-0.1
Other food products	1.9	4.5	-0.7	-0.6	-0.5
Wood and paper	-0.3	0.6	-0.8	-0.2	0.0
Fishing	2.2	0.4	0.0	-0.2	-0.1
Coal	0.5	0.4	0.2	0.2	0.0
Oil	0.5	0.4	0.4	0.2	-0.1
Gas	0.6	0.4	0.2	0.2	0.0
Minerals	0.8	0.6	-0.1	0.1	0.0
Textiles and apparel	1.1	0.7	-0.7	3.5	-0.1
Chemicals	0.1	0.0	-2.0	-1.0	0.4
Petrol and coal	0.4	0.3	0.5	0.4	0.1
Pharmaceuticals	-1.1	-1.1	-0.8	-2.3	0.2
Metal products	-0.4	-0.4	-1.1	-2.9	0.2
Mineral products	-0.1	0.2	-0.5	-0.4	0.1
Electronic equipment	-1.0	-0.2	-0.2	0.5	0.1
Machinery	-5.9	-3.3	-12.6	-4.3	0.6
Transport equipment	-5.7	-1.1	-2.2	-9.1	0.4
Utilities	0.0	0.3	1.1	0.3	0.1
Construction	0.6	0.6	0.0	0.8	0.1
Trade	0.3	0.3	-0.1	0.5	0.1
Acc. and food services	0.2	0.1	0.0	0.5	0.1
Transport	0.5	0.3	0.1	0.7	0.0
Communications	0.5	0.1	0.0	0.5	0.0
Financial services	0.2	0.2	-0.1	0.5	0.0
Real estate	0.3	0.2	-0.1	0.4	0.1
Other business services	0.9	0.5	1.1	0.8	0.0
Non-market services	0.3	0.1	0.0	0.3	0.0

Note: changes in percent. The agri-food sectors include both farming and production of food products. Source: own simulations.

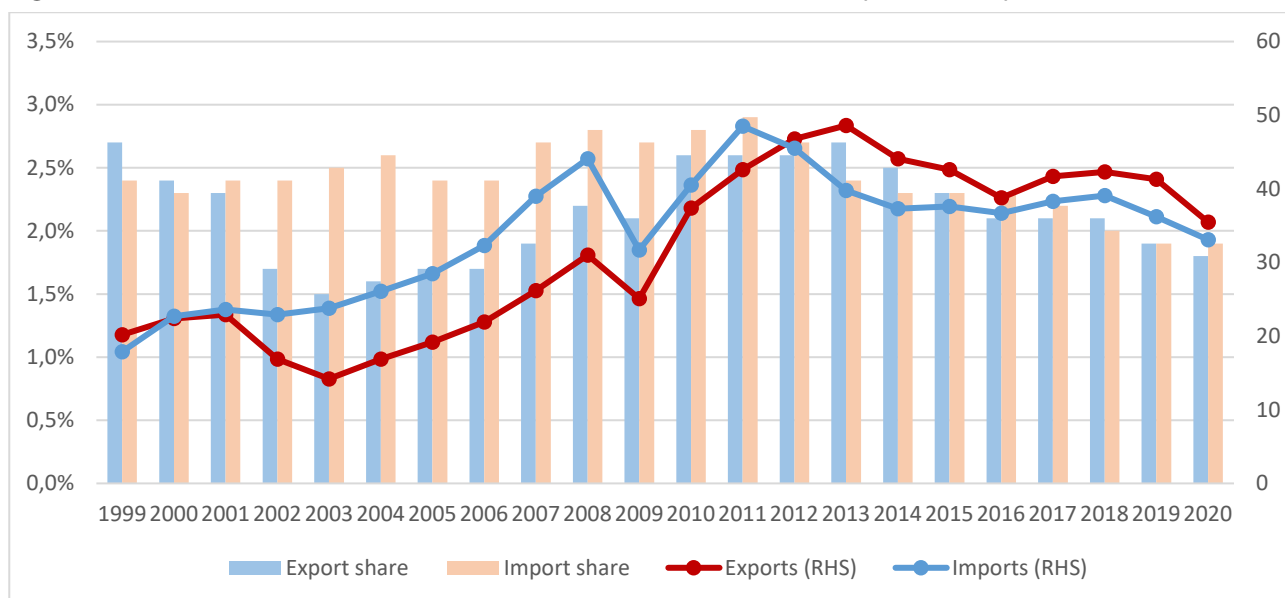
3 Trade in goods

3.1 Overall developments

When looking at the trade data since 1999, in nominal terms the trade of current EU MS with Mercosur has been growing fast until the global financial crisis of the end of the 2000s. During the period of 1999-2008 exports to Mercosur more than doubled and imports more than tripled. However, after some recovery after the 2009 crisis, trade with Mercosur stagnated, and in 2009 it was at the level very similar to that of 2019. The relative importance of trade with Mercosur in total EU imports and exports shows, on the other hand, that compared to the level of 1999, the importance of trade with Mercosur is in decline since 2009. In 1999, the share of Mercosur in both EU imports and exports was roughly 2.5 % and by the end of 2019 it was only 2.0 %.

Shifting the focus to individual countries the EU MS trading the most with Mercosur include Spain and Portugal which reflects the historical and cultural ties with the South American partners (these types of relationships are found to be extremely long-lived in bilateral trade relations and stem from both historical relationships and trade routes, lower transaction costs due to common languages and more compatible demand structure). The new EU MS (acceding on 2004 and later) are in general found to trade much less with Mercosur than the remaining member states (it is worth noting that the new MS also in general trade less with third countries than the EU-14).

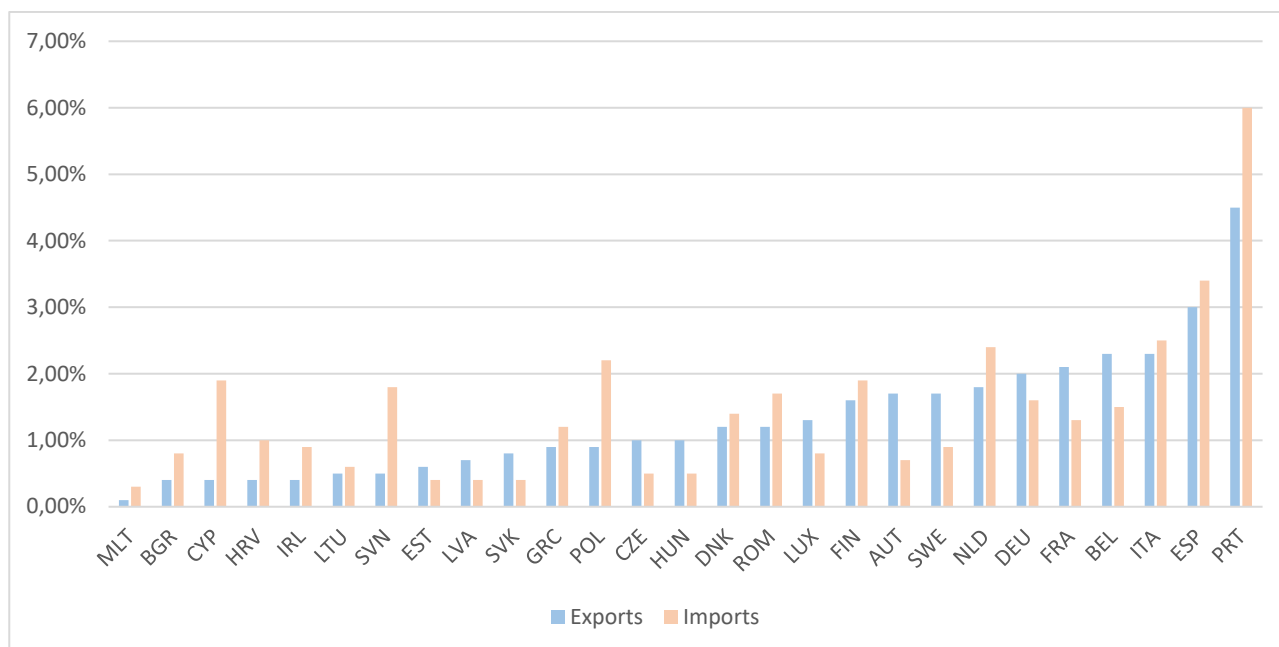
Figure 1 EU-Mercosur trade (EUR billion) and share of Mercosur in total EU exports and imports, 2019



Source: Eurostat COMEXT and UN COMTRADE data.

EU is a significant trade partner for the four full Mercosur countries taking part in the EUMETA. However, the share of the EU in Mercosur's trade is declining gradually throughout the whole of the last two decades. In 1999 exports to EU and imports from EU accounted for over 30 percent of total exports/imports. In 2019, exports to the EU accounted for 15.5 % of overall exports goods from Mercosur, with the corresponding share of imports at 19.8 %. Figure 29 in the annex shows the involvement in trade with the EU of the individual Mercosur countries which in all cases is substantial. In particular, one can observe a considerable share of EU in both Argentinian and Brazilian imports compared to the remaining two countries. The export share is more evenly distributed. Size of the Mercosur countries to a large extent determines their importance in trade with the EU – Brazil accounting for over 70 % of total trade and Argentina almost 20 %.

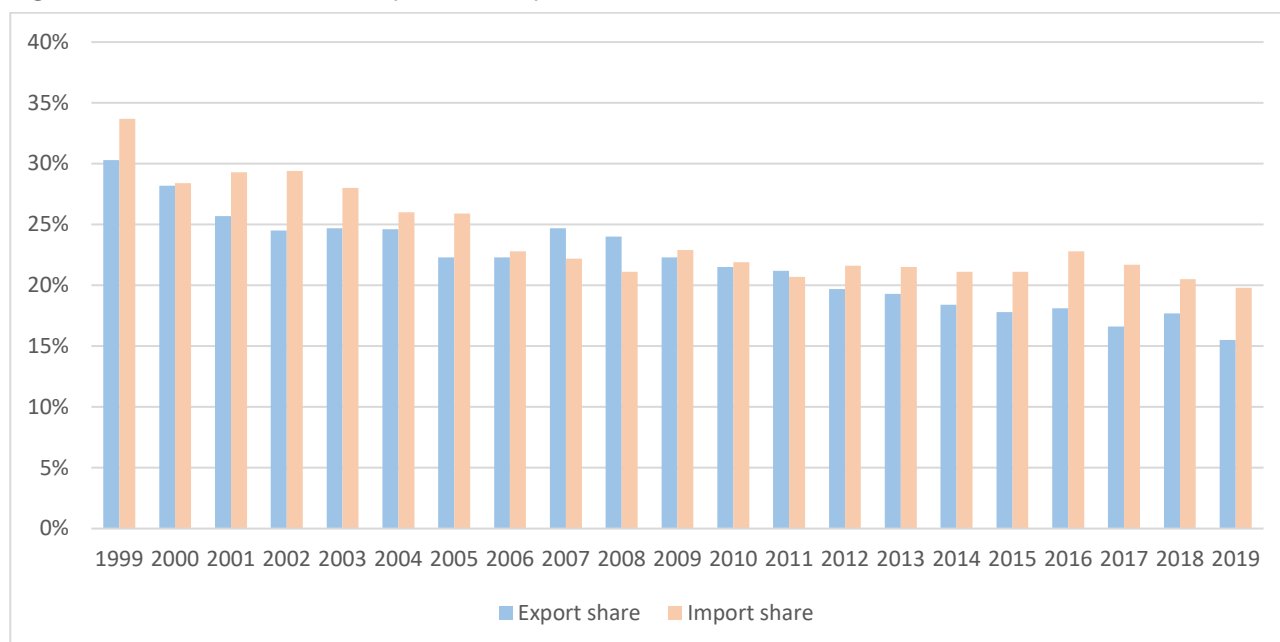
Figure 2 Share of Mercosur in EU MS exports and imports, 2019



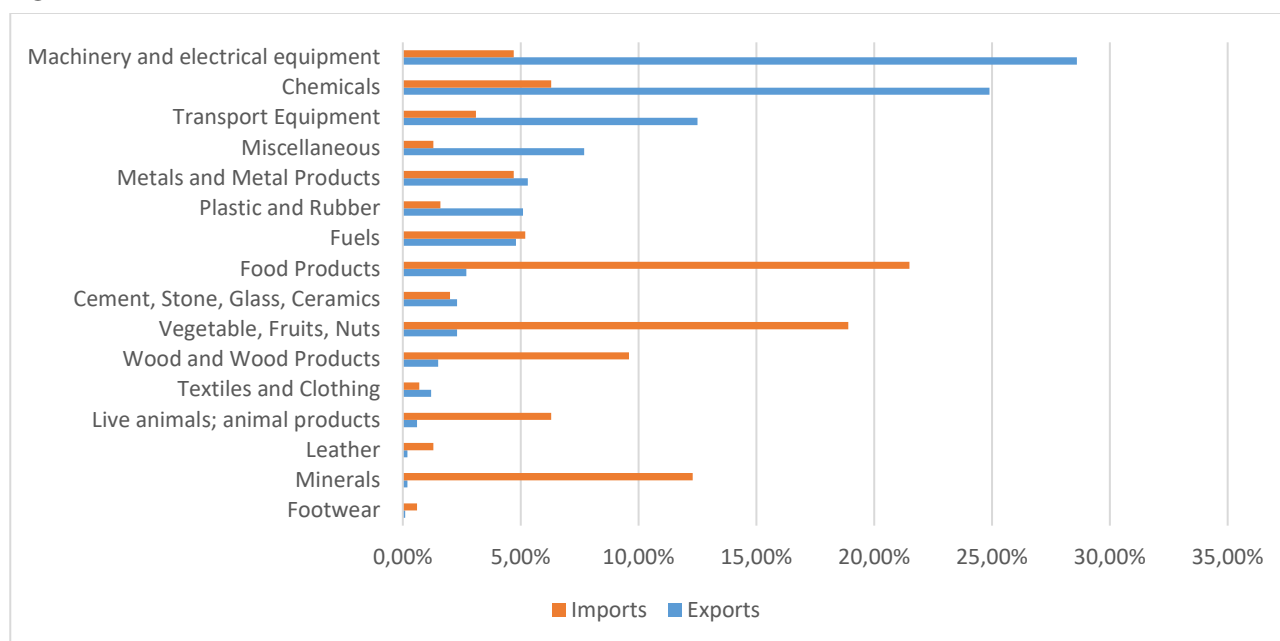
Note: Data in percent of exports to/imports from third countries (Extra-EU exports). Source: COMTRADE data.

Turning to the product structure of EU exports, the three main export categories of the EU (in decreasing order) are machinery and equipment, chemicals and transport equipment. These three categories in 2019 accounted for two thirds of all exports. Other notable product categories include miscellaneous manufacturing, metals and metal products, plastic and rubber and fuels. It is worth noting that the international trade with Mercosur is characterised by a relatively low degree of intra-industry trade (see, e.g., Kim and Lee, 2003), i.e., the products imported are quite different from products exported. Main imports from Mercosur include food products, vegetables, fruits, and nuts, minerals and wood and wood products. This means that the sources of gains from trade correspond to the traditional notion of comparative advantage, i.e., trading goods produced primarily by advanced industries in exchange for more basic goods rather than trade within industries where competition across brands and product varieties is more common.

In the annex (Table 28 and Table 29) we also list the top 10 products for EU and Mercosur as well as top products for each of the EU MS. The top EU export products include nuclear reactors, boilers and machinery, pharmaceutical products and transport equipment as well as electrical machinery and equipment with these four categories accounting for over 40 percent of all exports. These categories are also top export products of most of the EU MS and while, as indicated before, the importance of Mercosur to EU MS is diversified, their exports are not very different in their product structure, at least not at the level of detail we analyse in this report. On the other hand, exports of Mercosur are more diversified, i.e., the largest categories of exports account for a considerably smaller share of total exports. Top 10 exports include, among other, residues and waste from food industries, ores, slag and ash, mineral fuels and oils, coffee, tea, mate and spices.

Figure 3 EU share in Mercosur's exports and imports, 2019

Source: COMTRADE data. Note: Data in percent of total exports/imports of Argentina, Brazil, Paraguay and Uruguay.

Figure 4 Product structure of EU trade with Mercosur, 2019

Source: UN Comtrade.

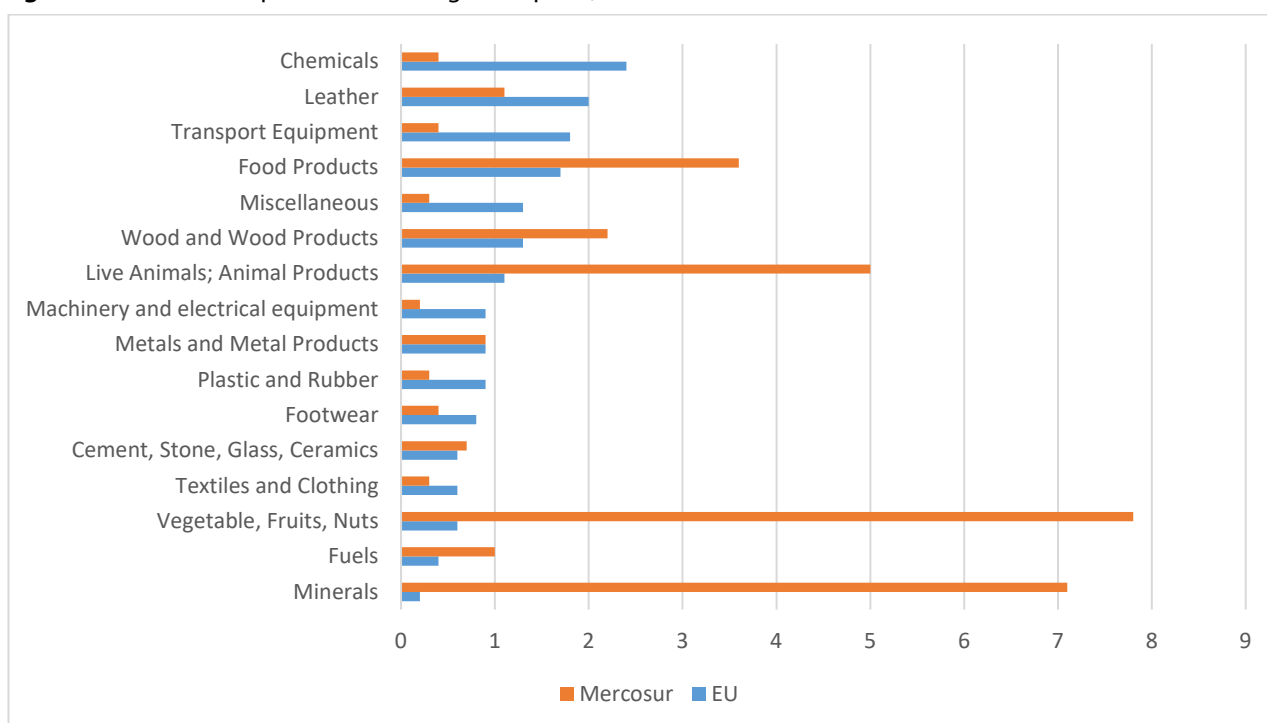
3.2 Comparative advantages and trade complementarity

In order to understand the potential of the trade agreement in the expansion of trade, we perform two distinct pieces of merchandise data analysis. In the first one, we look at the **so-called revealed comparative advantage** (RCA). This indicator, originally proposed by Balassa (1965), shows the share of a particular sector in total country exports related to the share of that sector in total exports of the rest of the world. If this indicator is greater than one, this points to a relatively high share of the country in question in world exports of the product and hence, the revealed comparative advantage of the country in that sector relative to the rest of the world. Analysis of RCA's on the Mercosur side and EU side allows us to understand potential sectors where the two regions are competing and those where trade is more complementary. We

complement this analysis with a set of **trade complementarity indicators** (TCI). TCI is an indicator of product overlap in one country's export and another's country imports. If the percentage of overlapping trade is high, then a trade agreement presents more potential for trade expansion than otherwise. One has to keep in mind that both TCI and RCA are not only a function of the underlying country characteristics (sectoral structure, relative labour and capital costs, relative prices) but as it is based on actual trade flows, and thereby as well largely affected by trade policy. Hence, for example, in the agricultural sector, changes in domestic support to agriculture as well as the changes in protection levels among the main trade partners can lead to a change in this indicator.

The RCA indicators for 2019 show that in categories where the EU has revealed comparative advantage, Mercosur does not reveal it. This includes the major EU export sectors such as transport equipment and chemicals (including pharmaceuticals). However, sectors where both regions have a comparative advantage are the food and animal products as well as wood products. The agri-food products are also sectors where most notable exceptions from trade liberalisation are found due to several products being sensitive (see section 3.3) and where is potential threat of increased import competition. For some products a large difference appears – e.g. on animal products and vegetables, fruits and nuts. This indicator reveals a considerably degree of specialisation in those products on the Mercosur side (see chapter 2), while exports of the EU are considerably more diversified.

Figure 5 Revealed comparative advantage in exports, 2019



Note: RCA indicator greater than 1 indicates revealed comparative advantage in a particular product category. Data sorted by EU RCA. Source: UN COMTRADE data.

The complementarity analysis reveals some degree of asymmetry across EU and Mercosur. As much as 75.2 % of total EU exports match the structure of the Mercosur imports. This means that a large part of what EU exporters are supplying to all countries in the world matches whatever Mercosur importers are already buying, which together with a considerable increase in the market access due to EUMETA may help stop the stagnation in bilateral trade. On the other hand, the match in the opposite direction is considerably lower with roughly 49.2 % of exports of Mercosur matching products imported by the EU. Table 30 in the annex presents the TCI indicators in bilateral trade. It shows that the country differences in trade overlap with Mercosur are in general not very large. However, on the Mercosur side, the degree of complementarity

of exports with EU imports is visibly higher in Brazil and Argentina, than it is in the remaining two countries, which supports the asymmetry found in the simulation of the macro effects of the agreement and suggests that the degree of mutually beneficial trade expansion in this case is larger than in the remaining countries.

3.3 Agricultural products

In 2019, intraregional agri-food trade in the Mercosur was estimated at 52 % for all food items and 16 % for agricultural raw materials (UNCTAD, 2021). In comparison, agri-food trade within the EU accounts for almost 75 %. With the EU being a customs union and single market, it is of course much more economically integrated than the Mercosur region.

The United Kingdom, the United States, Brazil, China, and Switzerland are the EU's primary agricultural trade partners with Mercosur accounting for 14 % of the total EU agri-food imports. The EU's agri-food trade balance with the Mercosur has been negative for the last decade meaning that the EU has imported more goods from the region than it has exported to it (DG AGRI, 2021b). The main EU imports from the region are soya beans, animal feed, coffee, tea, and fruit juices, while Mercosur mainly imports olive oil, prepared vegetables, spirits, and other food preparations from the EU. Besides the EU, Mercosur's main agricultural trade partners are China and the United States (Secretaría del Mercosur, 2019).

Regarding agricultural policy, both sides have distinct policy traditions that have an effect on their competitiveness and trade patterns:

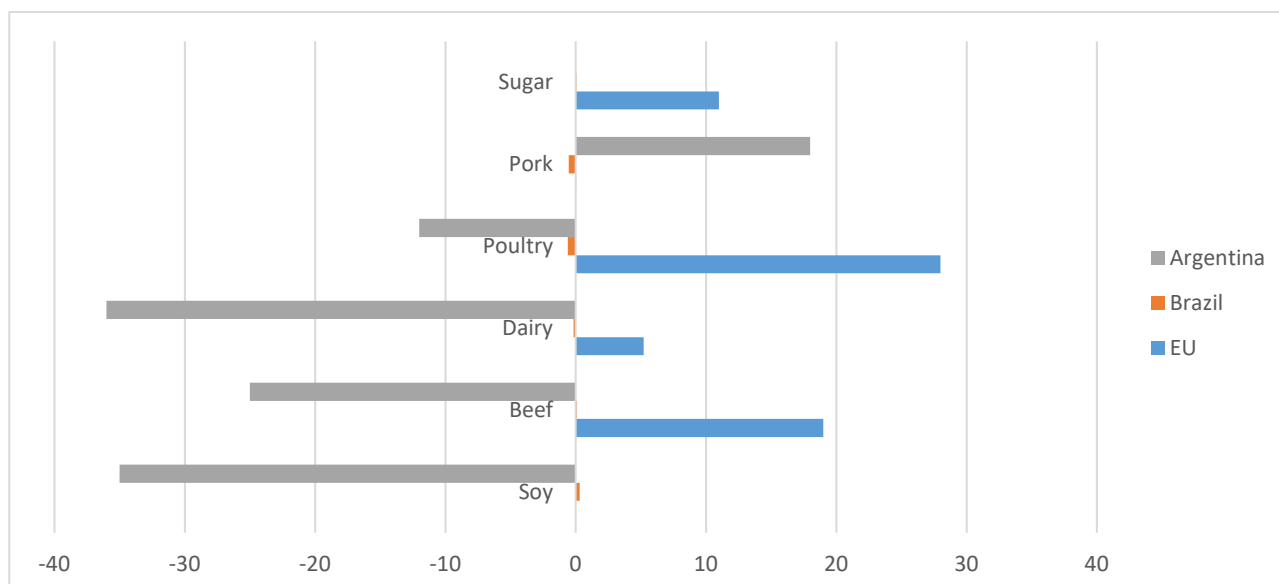
The EU has a long history with its Common Agricultural Policy, which has shaped the European agricultural sector for the past decades. Currently, the EU provides producer support close to the Organisation for Economic Co-operation and Development's (OECD) average, mainly in the form of direct payments not linked to the production of single products. The product-related market price support has substantially decreased in recent years, whereas traditional trade instruments (tariff, tariff-rate quota etc.) remain in place for many products. In 2020, the total value of agricultural production in the EU stood at 453 billion USD.

The Mercosur countries do not have a joint regional agricultural policy. Therefore, the analysis is focused on the individual agricultural policy measures of the Mercosur member states. In Brazil, the producer support as a percentage of gross farm receipts decreased to a low of 1.5 % in 2018-20. Domestic prices are currently aligned with international markets, and there is very little market price support as producers are mainly assisted through input payments (OECD, 2021). The total value of agricultural production in Brazil was 150 billion USD in 2020. In Argentina agricultural support is negative mainly due to market distorting export taxes. These create uncertainty for domestic producers in the export sectors and may limit respective market options following liberalisation. Direct budgetary payments are limited to access to credits. The total value of agricultural production in Argentina stood at 42 billion USD in 2020 (OECD, 2021). No comparable OECD data is available for Paraguay and Uruguay.

Figure 6 shows an overview of the producer support for selected commodities provided by Argentina, Brazil, and the EU, underlining the overall negative support received by the Argentinian producers, limited support provided in Brazil, and relatively high support provided in the EU.

The notifications to the World Trade Organisation (WTO) of subsidies on agriculture also show diverging priorities and include support for objectives like ecology or food security as well as pure income support:

The EU employs a wide range of the so-called 'green box measures', i.e., allowed and unlimited measures under WTO rules on the assumption that they do not distort the internal market. The bulk of the EU support takes the form of decoupled (i.e., not linked to a specific product) income support, followed by environmental and structural support measures (see annex Figure 33).

Figure 6 Producer Support Estimate (%) in 2020

Source: based on OECD country files.

The Mercosur countries' support differs: Argentina uses decoupled income support, structural assistance, extension, and advisory services. Nearly 80 % of all Brazil's green box subsidies is for food security measures followed by support to compensate for natural disasters. Paraguay's 'green box measures' are dominated by pest and disease control, followed by food aid. Uruguay invests heavily in research as well as in pest and disease control (see annex Figure 37). Only Argentina is not using the specific 'development box' additionally to the green box to support poor farmers (see annex Figure 34).

3.3.1 Liberalisation of agri-food trade addressed by the EUMETA

Under the EUMETA, the EU will remove 82 % of its tariffs on agricultural goods, while Mercosur will remove 93 % (European Commission, 2019c). However, this disparity must be compared to the current levels of liberalisation, where the EU already shows an overall higher degree of liberalisation. In any case, liberalisation is expressed in terms of tariff lines rather than trade volumes and thus does not reflect actual trade effects. The remaining products that will not be liberalised are either protected by tariff-rate quotas (TRQs) or simply excluded from liberalisation. Products covered by TRQs are likely to be those sensitive products that generally benefit from protection as reflected by the OECD's Producer Support Estimate (see Figure 6, Abbott, 2002). The same applies to products that are exempt from liberalisation. TRQs allow for a duty-free or reduced tariff imports up to a particular quantitative threshold (the in-quota rate) and beyond that threshold regular import tariff applies. Therefore a TRQ limits the impact of tariff reduction on the domestic prices if the domestic demand is high relative to the TRQ threshold. In those cases the benefits from the in-quota reduced tariffs are captured by either the domestic importer firm or the exporting firms but not by consumers.

In general, the EU uses TRQs as a trade instrument. According to WTO data, the EU has 87 TRQs in place, compared to two in Brazil, and none in the other Mercosur countries (WTO, 2002b). Furthermore, the EU imposes TRQs on sensitive products (see also section 3.3.2) that often also receive significant agricultural subsidies, most notably beef and dairy.

In comparison, Mercosur frequently exempts certain products from liberalisation. Mercosur may be applying far fewer TRQs due to the considerable administrative burden associated with their implementation. Products may also be excluded in response to stakeholder concerns about full liberalisation.

Table 3 summarises the TRQs and excluded products, highlighting products where full liberalisation will not be established even after a transition. For reasons of simplicity, only the overall product group is indicated. This means some specific tariff lines might still be affected by either a TRQ or exclusion (grey shading indicated the presence of TRQs or exclusion from liberalisation, more details see annex Table 31 and Table 32). The TRQs are phased in gradually over varying phase-in periods for different products. This indicates that the negotiations were intensive, as the respective products are of a sensitive nature for the negotiating parties.

Table 3 Exceptions from general liberalisation in the EUMETA using TRQs or exempt products

Product	EU		Mercosur	
	TRQ	Exemptions from liberalisation	TRQ	Exemptions from liberalisation
Beef				
Swine				
Poultry				
Lamb				
Dairy				
Vegetables				
Cereals				
Flours				
Vegetable oils				
Sugar				
Preparation of cereals, flours, starch				
Preparations of vegetables, fruits, nuts				
Miscellaneous preparations				
Beverages, spirits, vinegar				

Source: based on EUMETA, 2019a, 2019b.

Rules on exports are also covered by the EUMETA. This is particularly significant because export-restricting measures have historically been utilised extensively, especially by Argentina resulting in ‘negative protection’ in agriculture, i.e. discouraging domestic producers from exports. Argentina began taxing exports in the 1950s primarily on soybean, sunflower seeds, wheat, corn, beef, milk, and poultry. Export taxes impose a fixed amount or more frequently a percentage tax on exports leading to higher purchaser prices of the products and lower producer prices. These taxes were often lower for processed products in Argentina, while other export restrictions like quantitative restrictions and export licences have particularly affected wheat and beef. However, the system was recently revised to reduce the discrimination of the agricultural sector by applying these measures to all exports, including services. As a result, all export industries are treated uniformly, which reduced Argentina’s overall export competitiveness (OECD 2019).

Export taxes are permitted in the EUMETA. This is consistent with the WTO rule in GATT Art. XI, which allows export limitations even without any further condition such as a time limitation. The agreement contains commitments to reduce these taxes over time that mainly affects Argentina. These reductions steps are more significant for agricultural products than for other products (Table 4). Besides the Argentinian export taxes (Annex 2, Section C.1), there is only one other existing Uruguayan export tax covered in the agreement (Annex 2, Section C.2) (WTO, 2018). Brazil applies no export taxes on food products and the one on raw animal skins (WTO, 2017a), that is not covered by the agreement. Paraguay does not apply any export taxes (WTO, 2017b). As far as **other barriers to export** are concerned, the agreement prohibits export licenses, export monopolies and export price requirements.

Table 4 Proposed reduction of export taxes

	Reduction	Bound level
Argentina		
Soya, feeding stuff, animal and vegetable oil, biodiesel	Reduce by steps between 18 % and 14 % in 10 years (from as much as 33 % e.g., soya)	
Bovine and sheepskin	Reduce to 10 % to zero in 5 years	
Cork		Fixed at 10 %
Carbon briquets, distillates, gas, mineral oils, stamps, hunting trophies, books, bandoneon, antiques		Fixed at 5 %
Uruguay		
Animal skins	5 % to zero on 5 years	

Source: Annex 2 on export duties, Section C, EUMETA.

The schedules refer only partially to those products that were typically affected by export taxes in the past: Argentina mainly burdens exports of wheat, which are not in principle covered by the schedules and therefore not reduced by the agreement, and maize, which is covered (AMIS database).

The following chapter examines the effect of the agreement on different products. Negative direct effects of the agreement, meaning a considerable and proven injury to affected sectors, can be mitigated by the use of bilateral safeguards. The available literature has tended to neglect the possible use of safeguards in impact assessments of the agreement. The use of safeguards by a party depends on several factors (see chapter 6).

3.3.2 Benefits and risks – identified products

The CGE simulations (chapter 2) can only demonstrate broad effects, mainly due to the complex provisions that affect agricultural trade within the narrowly defined product categories. The following section, therefore, takes a closer look at selected sensitive products in their respective markets. The products were selected on the grounds of potential competition, significant trade volumes, and the amount of public subsidies received. The products are beef, soya beans, poultry, dairy products, as well as products that have hitherto been neglected in impact evaluations such as sugar and ethanol, olive oil, wine, and orange juice.

3.3.2.1 Beef

Different studies (see Hovmand et al., 2021, Baltensperger & Dadush, 2019) have shown that it is important to put into perspective the direct and immediate trade effects of the agreement regarding the European and Mercosur beef market. To better understand the effects of the EUMETA in the beef sector, the interaction between the offers on beef and the current set of several TRQs needs to be considered. This makes trade simulations very complex. There exists WTO allocated TRQs and bilateral allocated TRQs, all defined for specific cuts (of meat) and qualities. Recent EU tariffs can be as high as 45 %, e.g., for fresh beef, depending on the cut. However, the complicated EU regime has not been a deterrent for Mercosur countries, as they are already the top exporters of beef to the EU. Any further liberalisation in the EUMETA may, therefore, not result in significant increases in exports. Under current conditions, Mercosur already accounts for 80 % of EU beef imports thanks to its competitiveness. The overall imports in 2019 amounted to about 200 000 tonnes, with only 64 % entering the EU under a current TRQ (Hovmand et al., 2021) and the rest at out-of-quota tariffs. Brazil is the largest exporter, followed by Argentina, Uruguay, and Paraguay. The exports comprise processed beef (e.g., corned beef) and high-value cuts that serve many European consumers (LSE, 2020). The Netherlands, Germany, and Italy are the EU's largest importers, whereas France, Germany, and Italy are the EU's top beef-producing states. The EU produced and consumed about 8 million tonnes in 2020, with imports currently accounting for just 2 % of total EU consumption. Overall EU imports

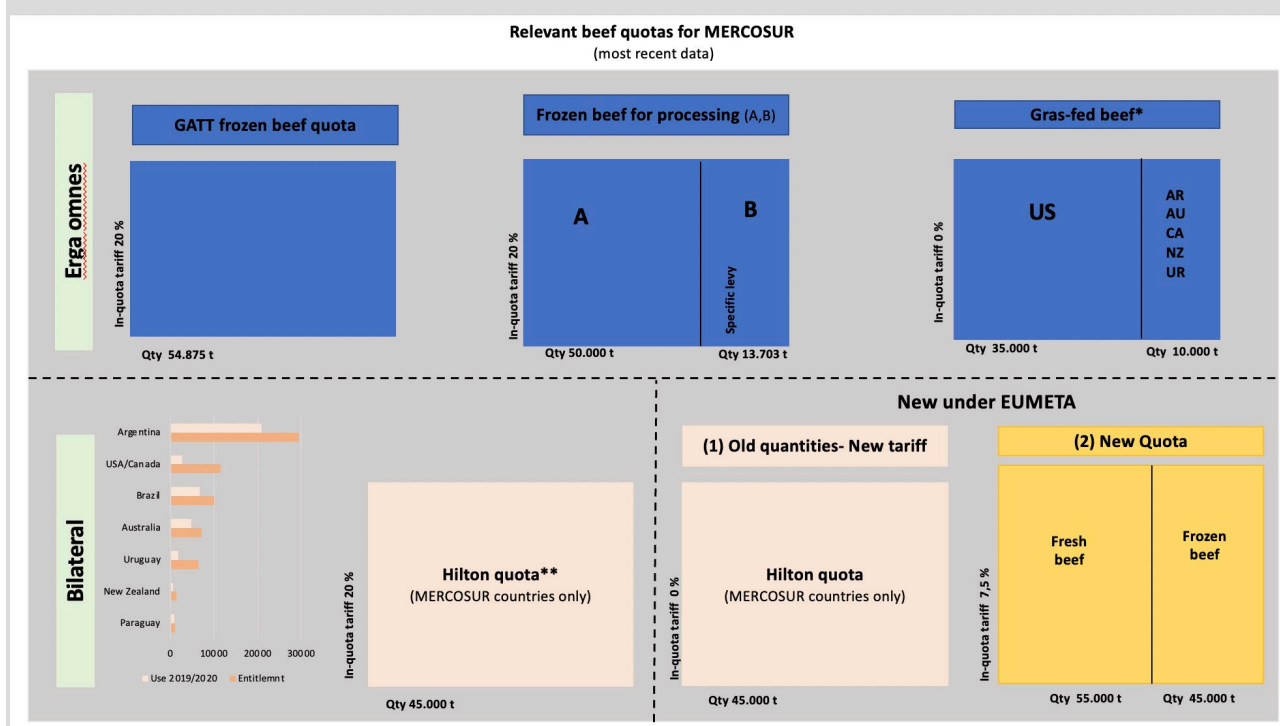
are small in comparison to EU production (European Commission, 2020). Hovmand et al. (2021) showed that current EU beef imports and exports are broadly balanced.

Most of the beef produced in the Mercosur is for the local market (LSE, 2020). Argentina exports only 24 % of the 3 million tonnes it produced (USDA FAS, 2020a). Domestic consumption accounts for 74 % of Brazilian production (estimate for 2021). Brazil's leading export destinations for beef are China (50 % of all beef exports), Hong Kong, the EU and the US. Brazilian beef production is estimated to reach 10.4 million tonnes in 2021 (USDA FAS, 2021a).

Box 1: The cobweb of tariff rate quotas on beef

Trade in beef is highly complex and ruled by a set of quotas at WTO-level that can be filled by any WTO Member and bilaterally defined quotas allocated to selected countries as also foreseen by the EUMETA.

Figure 7 Relevant beef TRQ status quo and proposal of the EUMETA



Source: own illustration based on Hovmand et al. (2021), displaying recent data; Note: *only USA, Canada New Zealand, Australia, Uruguay, Argentina currently eligible; **for 2019/20

The EUMETA will introduce two new elements: first, the in-quota tariff of the current Hilton quota (around 48 000 tonnes at 20 %) will be set to zero. Second, a new quota is set at 99 000 tonnes (55 000 tonnes for fresh beef and 45 000 for frozen beef) with an in-quota tariff of 7.5 %. Thus, the overall quota quantity will be 148 000 tonnes facing different tariffs (see Figure 4). So far, Argentina (latest entitlement of 29 500 tonnes) is the primary beneficiary of the Hilton quota filling nearly all its entitlements, whereas Brazil has a lower entitlement (latest 10 000 tonnes) which hasn't been filled of late. In recent years, Argentina could not export significant quantities outside its TRQ for two reasons: the 15 % export duty and quantitative restrictions that were only lifted in 2016 (LSE, 2020). The abolition of the tariff in the Hilton quota is estimated to have a positive effect on the Argentinean meat sector resulting in an additional USD 70 million per year (Valor Carne, 2019). Hovmand et al. (2021) also assumed that Brazil would fully use the new Hilton quota once the tariff is set to zero, accounting partly for the additional quantities that would be exported under the EUMETA.

Baltensperger and Dadush (2019) estimated that the overall effect in Mercosur is limited due to the modest increase in available quotas compared to the current trade volumes. In addition, the lower in-quota tariff

will make the quota more attractive. Therefore, the quantity currently imported at an out-of-quota tariff will most likely be absorbed by the new quota. Overall, it is estimated that the new quota will provide the opportunity to increase beef exports from Mercosur to the EU by 53 000 tonnes (Hovmand et al., 2021).

Trends in consumption will also influence beef imports, independent of specific provisions in the EUMETA. The consumption of red meat in the EU has seen a downward trend that is expected to continue (European Commission, 2020). Most recently, the impact of COVID-19 measures saw a sharp decline in demand for high-value beef used mainly by the catering sector. It would seem more important to monitor potential adverse effects of such internal developments given that EU farmers are worried about the impact on market prices, and the EU Commission has suggested that up to EUR 1 billion in compensation could be available (EU Commission, 2019c). In the future, it will be important to monitor any substitution effects that may result from replacing beef imports from the US or Australia with those from Mercosur. Furthermore, Hovmand et al. (2021) emphasised that a thorough analysis of the whole beef trade, especially regarding the quality of different beef cuts, is necessary to make a useful assessment of the EUMETA. The EU imports certain cuts or beef products from Mercosur countries that differ considerably in price.

3.3.2.2 Soybeans

Soybeans currently enter the EU market duty-free; only some soy products such as soya oil still face a tariff. As a result, the EUMETA is unlikely to have an immediate impact. In Argentina, specifically, a stimulus for production is unlikely since it imposes export taxes on soybean and soybean products of 33 % (OECD, 2021). Therefore, even though Argentinean small-scale soy producers receive support in compensation of revenue loss due to export taxes, production is not likely to increase.

The EU mainly imports soybeans and oil cake from Mercosur. The Mercosur states are the largest producers of soy globally, followed by the US. It is estimated that Brazil will become the biggest soy producer globally by 2025 (Soterroni et al., 2019). However, while soybeans are not a sensitive product in terms of possible competition with the EU domestic production, they are a critical protein source for the EU feed industry. Soy-based feed is mainly utilised in the EU for poultry and pig production (Karlsson et al., 2021). The EU is the second-largest importer of soy products globally, with about 15 % (Cabezas et al., 2019). Brazil has been the largest supplier of soybeans and soy meal for the past two years, accounting for 49 % and 43 % of total EU imports respectively (European Commission, 2021). Soy production can be directly linked to deforestation due to an extension of cultivated land area (see chapter 2). According to Cabezas et al. (2019), just 10 municipalities in Brazil can be accounted for 48 % of the EU deforestation risk linked to soy. Brazil is also the world's top producer using sustainability certification schemes for soy, albeit the overall share of sustainable soy remains small (see chapter 2).

3.3.2.3 Poultry

Poultry exports from Mercosur are likely to increase due to the EUMETA, but so is the domestic demand in the EU independently from the agreement. Globally, the demand for poultry is increasing (OECD-FAO, 2021). The EU poultry production is expected to be the only meat category to grow up to 2030 (European Commission, 2020). The demand has been constantly rising for the past years due to changing consumer preferences.

The leading exporter of poultry meat in Mercosur is Brazil, with an annual volume of 3.9 million tonnes in 2020. Brazil is also the most prominent exporter globally, followed by the US, Thailand, and the EU. Brazilian poultry exports are mainly driven by the increasing demand in China and the Middle East (USDA FAS, 2021b). Still, most Brazilian poultry production is for its domestic market, with a share of 72 %. Poultry production highly depends on the cost of animal feed. Poultry feed consists of up to 70 % corn, followed by soybean meal. Prices for both feed inputs have increased drastically in the past years resulting in several trade measures by the Brazilian government to decrease domestic poultry prices (USDA, 2021b). Poultry

imports are frequently associated with food safety concerns, leading to rejections of shipments at the border (see Figure 10). An increase in contaminated poultry entering the EU market due to the agreement, however, is unlikely since all EU food health regulations and enforcement measures still apply (see chapter 3.4.1).

EU poultry imports are often used by the fast-food industry and other food services. Currently, Brazil benefits from a TRQ on poultry. However, for the past two years, Thailand has surpassed Brazil as the leading exporter to the EU. Under the EUMETA, Mercosur will receive a TRQ of 180 000 tonnes duty-free. Therefore, an increase in exports can be expected (Ghiotto & Echaide, 2020). However, even though higher exports a decrease in consumer prices is unlikely since EU demand is also growing rapidly (Baltensperger & Dadush, 2019). Therefore, the limited effects of the agreement may be compensated by other trends, such as this increasing demand for poultry by European consumers.

The EUMETA contains an interesting provision on animal welfare relevant for the sector. For the first time in the EU trade agreements, animal welfare standards are linked to liberalisation. In the case of eggs, full liberalisation is conditional on animal welfare standards four years after the entry into force of the agreement. There was a prior TRQ for shelled eggs of 3 000 tonnes. As a result, Mercosur egg producers will have to demonstrate that they follow EU-equivalent welfare standards for laying hens in order to benefit from duty-free access to the EU market. This rule closes a gap for eggs as, in general, all products need to fulfil animal welfare standards.

3.3.2.4 Dairy products

The EU is one of the largest exporters of dairy products, while Mercosur is a relatively small producer and exporter (LSE, 2020). But Mercosur's demand for dairy products, especially cheese, is increasing. Currently, Mercosur represents only a minor export market for the EU dairy products that are supplied mainly from within the region or by the US. Mercosur imposes a tariff of 28 % on dairy, more than for other food products, but still far lower than the existing EU tariff (see annex Table 32). In the EUMETA, both sides offer a TRQ for milk powder of 10 000 tonnes and a TRQ for cheese of 30 000 tonnes with a tariff reduction over ten years.

Dairy producers in Mercosur are concerned about the new quota. They fear that their products will not be competitive with EU products that receive more subsidies. In addition, Argentina and Uruguay are concerned that they would lose market share in Brazil for milk powder once the more efficient and lower-priced EU products enter the market (Ghiotto & Echaide, 2020). Argentina and Uruguay are important suppliers of cheese to Brazil. In the case of Argentina, nearly 40 % of its milk production is also exported to Brazil. The new quota could lead to Argentinean and Uruguayan cheese being replaced by European products on the Brazilian market. In Brazil, the government is expected to support its producers by providing funds to modernise production and introducing a tax exemption of up to 35 % (Agrolatam, 2019). However, it is too early to assess the impact of these measures on local production in the Mercosur (Ghiotto & Echaide, 2020).

Looking at the composition of EU dairy exports to the Mercosur, it can be expected that the high-value products will only be affordable for high-income consumers. Therefore, it is not possible to say there will be an overall negative effect of EU exports on the dairy sector in the Mercosur (LSE, 2020). In addition, the estimated increase for EU dairy exports is small, and other trade agreements such as EU-Japan show more potential for the EU dairy sector (Hovmand et al., 2021). Mercosur producers do not expect a significant rise in their exports to the EU because the EU is a modest importer of dairy products globally. Furthermore, dairy products are frequently tied to geographical indications (GIs), and there may inevitably be disagreements between the EU and the Mercosur on their application to dairy products (see chapter on GIs).

3.3.2.5 Sugar and ethanol

Global demand for sugar is increasing with a current deficit of 3.1 million tonnes providing a strong incentive for increased production. Brazil is the leading producer of sugar with a share of 20 % of world production. Brazil is also the leading exporter, followed by Thailand, India, Australia, and Guatemala. The sugar and ethanol value chains provide direct and indirect employment for 3.5 million people in Brazil. Therefore, this sector is a significant generator for jobs and therefore politically sensitive (LSE, 2020). The EU is also a large global actor, both in terms of production and especially consumption. It is a net importer of sugar though it is estimated that imports and exports will remain stable in the coming years (European Commission, 2020). However, consumption is expected to decline in the EU in the medium term due to a shift in consumer preferences that results in lower imports.

The current EU tariffs for sugar are set at 339 EUR/tonne (raw sugar) and 419 EUR/tonne (refined sugar). Brazil benefits from a current preferential WTO-quota rate of 98 EUR/tonne and currently accounts for 19 % of total EU sugar imports. In recent years, Brazil has not filled its quota due to preferable world market prices, demand in other regions and the surplus production in the EU. The EUMETA will set a TRQ (duty-free) for sugar for refining exclusively used by Brazil (180 000 tonnes) and Paraguay (10 000 tonnes). Paraguay is expected to profit from this new quota that benefits mainly small producers (Zelicovich et al, 2019). Sugar originating from Brazil imported under the WTO quota regime that exceeds the quota volume will be subject to the preferential quota rate. All sugar that is not imported under the WTO quota regime will be subject to the current EU MFN. Considering world market prices and other EU trade regimes, an increase in imports from Mercosur is likely based on our model results.

On ethanol, Brazil is one of the largest producers, with an estimated 31 million litres in 2020 (USDA FAS, 2020b). There is a high demand for ethanol in the EU due to its use in biochemicals, bioplastics, and bio-fuels. The European chemical and plastic industries are also expected to significantly increase production in the coming years. In recent years Brazil has lost market share in the EU ethanol market to new competitors, namely Guatemala and Pakistan (LSE, 2020). Ethanol exports to the EU currently face a tariff of 21 %. Under the EUMETA, a new duty-free TRQ of 650 000 tonnes will be introduced with 450 000 tonnes reserved for chemical use. The remaining 200 000 tonnes is subject to an in-quota tariff. The proposed quota is much higher than the current trade volume. Ghiotto and Echaide (2020), therefore, expect a possible increase and increase in the production of sugarcane and maize in Brazil.

While the possible effects of the EUMETA on bilateral trade in meat, dairy, and soy (and to a lesser extent sugar) are often analysed, the sectors of wine, olive oil and juices are rarely covered – even though there are clear risks of conflicting interests. These sectors are highly specialised and are made up of high value-added products linked to relevant employment opportunities. There are also some similarities in the characteristics of the sectors on both sides that could lead to competition as both EU and Mercosur producers play a significant role in the world market. Unfortunately, however, there is only limited information and data available on the EUMETA's impact on these products.

3.3.2.6 Wine

The EU is the largest producer of wine, with Italy, France, and Spain as the major producing countries. In Mercosur, Argentina and Brazil are the largest producers of wine. For both Argentina and Uruguay, the EU is an important export market. Currently, Mercosur applies a common external tariff of 20 % on wine (although Brazil deviates from this with 27 %).

It is expected that the Argentinian wine sector will benefit from better access to the European market. However, it must be pointed out that the European wine sector is highly competitive thanks to subsidies and promotion of the sector (OECD, 2021). Lower tariffs for EU wines could negatively impact smaller wine producers in Argentina (Ghiotto & Echaide, 2020). Following active lobbying for better protection from

Brazilian wine growers, a fund was designed to support the modernisation of the Brazilian wine sector to render it more competitive. LSE (2020) estimates that liberalisation will likely increase local production of agricultural inputs for beverage producers (i.e., grapes). As a typical GI-product, disputes may emerge on either side over wine (see section 3.3.3).

3.3.2.7 Olive oil

Even though olive oil is relevant for both the EU and Mercosur, it is rarely analysed in the context of the EUMETA. The EU is the leading producer and exporter of olive oil globally. The Mercosur region is a significant export market, with 12 % of total EU olive oil exports going to Brazil in 2020. Argentina is the top producer and exporter of olive oil in Mercosur (IOC, 2018), its main export markets being the US, Brazil and Spain. Overall, 4 % of all olive oil imports to the EU originate in Argentina (DG AGRI, 2021a). Growing domestic demand has resulted in Brazil being one of the leading importers of olive oil in the world. Imports into Brazil have increased due to consumer preferences, increased purchasing power and lower prices for olive oil (Aued-Pimentel, 2016). The leading suppliers to the Brazilian market are the EU (Spain and Portugal), followed by Argentina and Chile. Tariff reduction under the EU-Mercosur agreement is criticised by the Argentine Olive Oil Federation. They fear that their products will not be competitive with the subsidised products from the EU (Ghiotto & Echaide, 2020). Due to the strong position of the EU on the world market, exports to the Mercosur are likely to increase further, potentially threatening domestic production, especially in Argentina. Conflicts may also develop over GIs, particularly involving Italy, Spain, and Argentina (see chapter on GIs).

3.3.2.8 Orange juice

Orange juice is rarely addressed by research on the impact of the EUMETA even though Brazil is one of the major producers and exporters of orange juice globally, with an overall production of 1 022 million tonnes in 2020. The domestic Brazilian market is relatively small, if growing slowly. Overall thus, most orange juice is produced for the world market (Neves et al., 2020). Around 70 % of its exports are destined for the European market (USDA FAS, 2020c). Mercosur applies a tariff of 14 % on fruit juices (including orange juice). The EU is also a significant producer and exporter of processed orange juice. Germany, the Netherlands, and Spain are major exporting countries, with Brazil as one of the leading destinations with a share of 35 % of total EU orange juice exports in 2020. Under the EUMETA tariffs will be eliminated in the next ten years or reduced by 50 %. Further data and research are needed for an in-depth analysis of the impact of the trade agreement on this sector. We can, however, assume that there is likely to be competition in the juice market since both partners are relevant actors in this sector.

Recommendations related to trade impacts on agri-food sectors

- **introduce product-specific research and joint monitoring.** For several products, only limited information or analysis is available on the possible impact of the agreement. Both the EU and Mercosur should identify the sensitive products (specifically high-value products such as olive oil, wine, and juices) and conduct product-specific research in order to better adapt policies such as marketing. Research should not be focussed only on quantitative analysis of agreement's provisions as these face limitations due to the complexity of provisions on agriculture. One should analyse product-specific market conditions and trends as well as consumer preferences;
- **support efforts to gather regional statistics** on agricultural production and consumption in the Mercosur region to better estimate liberalisation's impact;
- **consider accompanying potential trade effects by supporting measures.** These could be directly linked and tailor-made to specific negative effects, e.g., via development support or others (see chapter 9).

3.3.3 Geographical indications

GIs can be used as means of indirect protection by requiring products covered to comply with specific product indications. GIs can also support specific regions or indigenous communities if these are associated with products covered.

In comparison to private branding, the use of GIs is a more traditional approach in the EU. Typically, GIs refer to a country's interest in exporting specific high-quality products or product categories that are frequently associated with sectors that receive significant public support. Generally, the Mercosur countries support their agricultural sectors, including GI-relevant products to a lesser extent than the EU. Therefore, registered domestic GIs under the EUMETA may be strategically more interesting for the Mercosur side than the EU.

On the EU side, for example, many dairy products – a sector that benefits from a high level of support (see Figure 6) – are listed as GIs. However, bilateral trade in traditional EU GI categories (e.g., animal and vegetable fats including olive oil, fruits) with the Mercosur region currently accounts for only around 1 % of total bilateral agricultural trade. In the case of wine, the share is even larger as the EU imports of Argentinian wine is nearly completely covering wine protected by GIs. But for all other products this is far less than the average EU agricultural trade in GI-relevant products globally of 20 %. Given that the EU already exports more high-value agricultural products than agricultural commodities to Mercosur, there is a strong incentive for the EU to expand or protect exports of GI-relevant products.

On the Mercosur side, the pattern of support for GI-relevant products varies significantly across countries as there is no common Mercosur policy. Brazil only supports rice as a potentially relevant GI-product and rarely uses product support in general (Brazil, 2017/18, see annex Figure 35). Thus, interest in using GIs as a supporting mechanism can be assumed to be high. Argentina, on the contrary, supports several products suitable for GIs like meat, dairy, wine, cereals, and fruits (Argentina 2916/17). Nonetheless, this support is partially offset by the Argentinian export taxes (see above). As a result, the net effect for some GI-relevant products can be negative. The agreement includes a reduction of these taxes. Uruguay and Paraguay do not provide product-related support (based on most current WTO notifications, Uruguay, 2016, Paraguay, 2019).

The list of GIs in the EUMETA published so far covers the largest number of GIs ever addressed by an EU FTA (see Annex II of Annex to Intellectual Property, EUMETA). As usual, this list is assumed to be dynamic and can be extended continuously after the agreement enters into force:

- On the EU side, member states listed 355 GIs (Annex II, A, EUMETA) compared to 340 in the EU-Mexico FTA (EU Factsheet, 2018) and around 200 in the EU-Japan FTA (EU-Factsheet, no year). The proposed list for EU – Mercosur covers mainly wine, spirits, cheeses, meat, and olive oil, registered by EU MS (Figure 8).
- On the Mercosur side, member states listed 220 GIs (Annex II, B, EUMETA), with Argentina mainly listing wine, Uruguay only wine, and Brazil and Paraguay also listing coffee, honey, and herbs.

GIs gained increasing political relevance during the EUMETA negotiations, to the point that they threatened the overall negotiations (Ghiotto & Echaide, 2020). Argentina stressed the domestic importance of producing and selling certain products' characteristics as 'generic' instead of labelling them as a GI. This is relevant in Argentina, particularly with regard to cheese. Argentina argues that the history of European immigrants means they have also 'imported' typical terms of, e.g., Italian cheeses defined by the EU as GIs (Ghiotta & Echaide, 2020 p. 108). So far, only Brazil and Paraguay have included cheese in their GI lists,

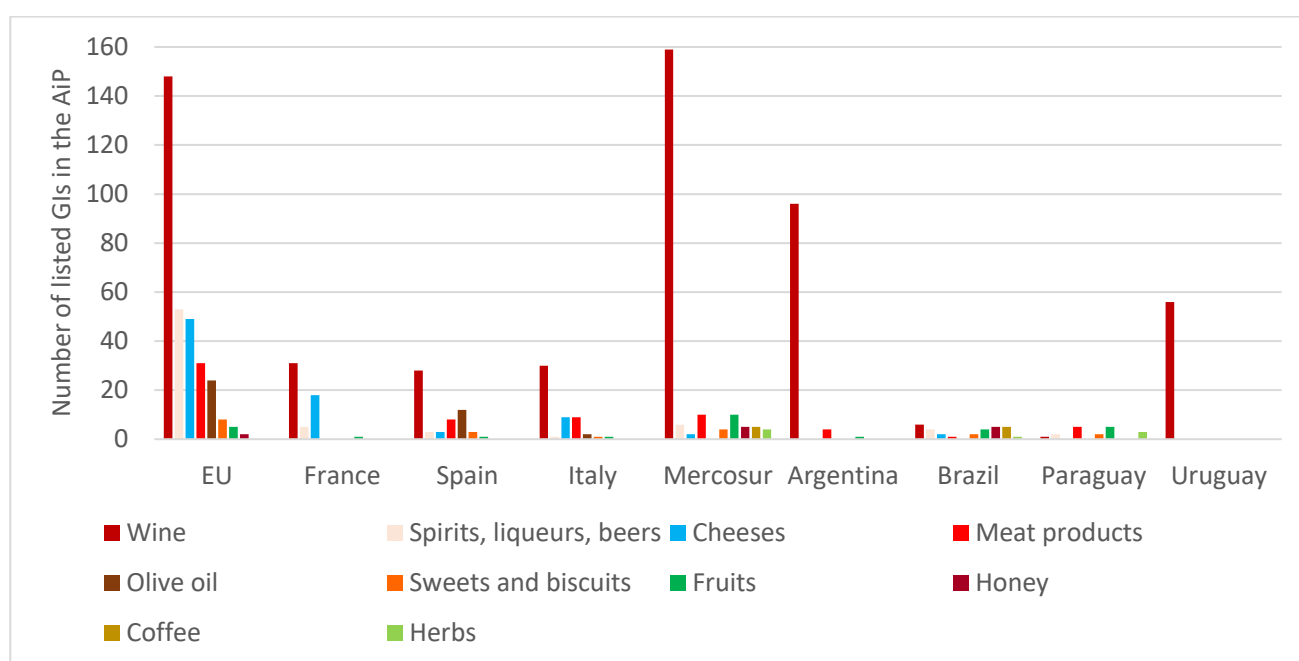
which might indicate that Argentina is postponing the decision on whether to renounce further generic use.

There are other areas of potential conflict where both sides are interested in GIs for the same or complementary products with a dominant position of either the EU or the Mercosur-side.

Conflicting areas may include wine (GIs by France, Italy and by Argentina, Uruguay), cheese (France, Spain and Paraguay and possibly Argentina), meat products (France, Italy and Brazil), sweets and biscuits (GIs by France, Brazil and Paraguay) and honey (GIs by France and Brazil). Olive oil can be a contentious product as Argentina is a top global producer. However, no GI has been listed so far (GIs by Spain, Italy and none at Mercosur side).

Complementary benefits can be seen for beer and liquors (EU) and fruits (Mercosur) (e.g., an Argentinian Melon, a Brazilian Mango, a Mango from Paraguay), coffee (Brazil), herbs (mainly Uruguay).

Figure 8 Conflicting and complementary categories of GIs according to listing in the EUMETA



Notes: Red: Conflicting categories of products. Blue: Dominance of listing in the EU, Green: Dominance of listing in Mercosur. Source: EUMETA, Annex II A, B.

At the inter-regional Mercosur level, an agreement for the mutual protection of GIs was signed in December 2019 to envisage a list of protected GIs. However, no list has been decided so far.

Some of the covered GIs by the EUMETA have the potential to support the income of indigenous communities. For instance, in Brazil, five GIs have been registered since 2019, all of which are relevant for indigenous communities in the Amazonas region: Warana Guarana, Braganca Manioc Flour, Tome Cocoa, Uairini Manioc Flour, Marajo Cuffalo Cheese (Ministry of Agriculture/Brazil, 2021). These are so far not listed in the EUMETA. Including them could be a relevant new tool to support indigenous communities.

Another GI-related topic that is also relevant for indigenous communities concerns the Convention on Biodiversity. The Convention envisages that access to genetic resources and associated traditional knowledge should go along with a sharing of the benefits of its utilisation (Secretariat of the Convention on Biological Diversity, 2010). In Brazil, products like Surui Coffee, Cintra Larga Nuts, Copaíba Oil, Macacaporanga Oil and Pequi Oil (Platform Sistema Nacional de Gestão do Patrimônio Genético e do Conhecimento Tradicional Associado) embody such resources and knowledge. The adoption of GIs for these products could help to ensure such a sharing of the benefits and thus provide support for indigenous communities.

Recommendations related to geographical indications:

- **monitor** potential conflicting GIs and accompany this process by continuous dialogues involving the parties concerned including business and the affected indigenous communities;
- **check the scope for a new type of indigenous/cultural GIs ('GI+')** including existing GIs relevant for indigenous communities (e.g., as defined domestically by Brazil), and for possible GIs linked to the genetic resources' property of indigenous communities under the CBD;
- **support quality products and their governance** in the Mercosur region. The experience gained with the bilateral agreement on equivalent organic food products between the EU and Argentina (see below on SPS) could be used to address such administrative processes that support quality production including GI-relevant products;⁸
- **support organic farming**, which besides being an attractive economic sector, can contribute to an overall awareness of sustainability. The approach of the existing EU's equivalence agreement with Argentina should be considered for respective agreements with other Mercosur countries.

3.4 Tariffs and non-tariff barriers

In this chapter we analyse **tariff and non-tariff protection** in trade between the Mercosur countries and EU MS. We begin with a descriptive quantitative analysis of the level and structure of protection. This includes an overview of tariff protection and non-tariff measures on both sides. We then move on to analysing some specific provisions related to agricultural trade where SPS measures are predominant. Moreover, we shed some light on the coverage of the agreement on existing TBTs.

Table 5 shows the structure of effective tariff protection in bilateral trade between the EU and the Mercosur. On average, the level of tariff protection of EU imports is considerably lower than that of Mercosur imports. This is manifested by considerably lower average tariff rate (3.9 % versus 13 %) as well as a significantly larger share of duty-free EU imports (64 % versus just 5.6 in Mercosur). Going into sectoral details, in the EU tariffs on agricultural goods and food products are on average comparable across the two regions, with, however, persistently higher protection on the part of Mercosur. What is not reflected here is the complex set of TRQs diverging in quantities, tariff levels across single agricultural products. Moreover, the EU side uses more TRQs than the Mercosur side excluding complete product categories (see later in chapter 3.3). Moreover, in these categories Mercosur has considerably more tariff lines with rates exceeding 15 % (international peaks). It is important to note that most of Mercosur's export to EU are in agri-food (around 46 % in 2019) where tariffs are relatively high. However, still a large part of agri-food trade is duty-free.

However, unlike in Europe where – beyond agri-food imports and footwear – tariffs are low and on average do not exceed 5 % (and the number of tariff peaks is negligible), Mercosur maintains very high tariffs on most manufacturing products. These includes EU large export categories such as transport equipment, machinery and electrical equipment. Significant reduction in tariffs in these sectors certainly presents an important business opportunity to EU producers.

The tariff schedules presented in the Annex to the EUMETA allow for an analysis of the scope of liberalisation. The share of EU imports that will be duty-free immediately after the agreement enters into force is 72.4% (in terms of 2019 EU imports of Mercosur), as compared to roughly 64 % duty-free in 2019. Therefore, the immediate – and often feared in terms of competitive effects – liberalisation of imports will not be substantial as a large part of EU imports from Mercosur is already duty-free. However, additional 19.7 % of the value of trade will be liberalised gradually after 5 to 16 years following the implementation of the agreement, leading to a combined of 92.1 % of imports duty-free after 16 years. Tariffs will be maintained

⁸ See EU, Trade in organics, available at https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/trade_en.

(either a specific portion of a combined ad-valorem tariff or other non-zero tariffs) in roughly 0.4 % of imports. 7.3 % of 2019 EU imports will be subject to tariff-rate-quotas mainly for agricultural products either with duty-free in-quota imports or with preferential in-quota tariffs according to a complex pattern differing across products.

Table 5 Effectively applied tariffs in EU-Mercosur trade (HS Sections)

EU import tariff versus Mercosur						
Product Name	Weighted average tariff	Simple average tariff	% of domestic peaks	% of international peaks	Maximum rate	% duty-free
Live Animals; Animal Products	9.3	7.1	2.3	4.4	23	3.3
Vegetable, Fruits, Nuts	1.1	4.8	1.4	4.9	20.8	84.7
Food Products	4.7	10.5	17.2	21.0	74.9	62.0
Minerals	0.0	0.1	0.0	0.0	1.7	98.9
Fuels	0.0	0.4	0.0	0.0	3	99.0
Chemicals	4.2	3.5	0.1	0.1	17.3	26.6
Plastic and Rubber	4.6	4.7	0.0	0.0	6.5	3.9
Leather	4.1	3.8	0.0	0.0	9.7	6.4
Wood and Wood Products	0.4	0.7	0.0	0.0	10	90.9
Textiles and Clothing	2.4	9.7	0.0	0.0	12	32.4
Footwear	8.8	9.1	17.6	17.6	17	1.0
Cement, Stone, Glass, Ceramics	0.5	3.5	0.0	0.0	12	84.5
Metals and Metal Products	0.8	2.7	0.0	0.0	10	73.4
Machinery and electrical equipment	1.9	1.7	0.0	0.0	14	19.5
Transport Equipment	3.0	4.1	1.5	2.0	22	0.1
Miscellaneous	0.6	1.4	0.0	0.0	10.5	69.5
Total trade	3.9	2.3	3.2	4.3	74.9	64.1
Mercosur import tariff versus EU						
Product Name	Weighted average tariff	Simple average tariff	Number of domestic peaks	Number of international peaks	Maximum rate	% duty-free
Live Animals; Animal Products	7.5	9.5	0.0	23.1	28	28.7
Vegetable, Fruits, Nuts	9.9	8.7	0.9	1.7	55	3.5
Food Products	16.9	16.4	1.0	62.1	35	0.1
Minerals	3.8	3.8	0.0	0.0	6	2.3
Fuels	0.1	1.5	0.0	0.0	4	7.5
Chemicals	6.9	8.4	0.0	2.5	35	6.4
Plastic and Rubber	11.0	13.2	0.4	38.1	35	0.3
Leather	21.8	19.8	6.2	75.4	35	0.0
Wood and Wood Products	10.6	11.8	0.3	33.8	35	13.9
Textiles and Clothing	21.9	25.1	26.1	92.2	35	0.1
Footwear	31.9	24.1	21.6	97.4	35	0.4
Cement, Stone, Glass, Ceramics	8.7	11.9	0.3	16.0	35	0.0
Metals and Metal Products	12.6	14.2	0.6	47.0	35	0.7
Machinery and electrical equipment	11.7	10.7	0.4	29.3	35	6.3
Transport Equipment	14.8	13.7	2.7	47.3	35	15.1
Miscellaneous	11.2	13.5	2.5	46.2	35	6.3
Total trade	13.0	10.5	1.9	28.8	55	6.4

Source: UNCTAD TRAINS database. Note: Weighted tariffs averages are weighted by the value of imports. Domestic peaks are the tariff lines where the applied tariff is at least three times the simple average tariff level. International peaks are the tariff lines where tariffs exceed 15 %. '% of duty-free' refers to the share of bilateral imports in the particular category that is not subject to any tariffs.

As usual for this sensible sector in many FTAs, the post-agreement scale of protection in agri-food trade will be higher than in other manufactured goods, where eventual full liberalisation is expected. However, in some industrial sectors, in particular transport equipment, footwear and to a smaller extent in the imports of machinery and textiles, this liberalisation is going to be phased in gradually.

Table 6 EU tariff liberalisation versus Mercosur

section	Percentage of EU imports					Percentage of all CN8 categories in the tariff schedule				
	Immediate zero tariff	Gradual full liberalisation	Partial liberalisation	TRQ	Excluded from liberalisation	Immediate zero tariff	Gradual full liberalisation	Partial liberalisation	TRQ	Excluded from liberalisation
Live Animals; Animal Products	9.3	24.2	0.0	66.1	0.4	52.0	13.2	1.8	23.2	9.7
Vegetable, Fruits, Nuts	75.9	7.9	2.0	14.1	0.0	36.5	55.3	2.1	5.7	0.4
Food Products	68.5	27.8	0.1	2.2	1.4	23.2	67.6	1.2	6.4	1.6
Minerals	100.0	0.0	0.0	0.0	0.0	97.5	2.5	0.0	0.0	0.0
Fuels	99.3	0.7	0.0	0.0	0.0	86.7	13.3	0.0	0.0	0.0
Chemicals	40.5	59.4	0.0	0.1	0.0	33.7	65.1	0.1	1.1	0.0
Plastic and Rubber	18.8	81.2	0.0	0.0	0.0	37.5	62.5	0.0	0.0	0.0
Leather	94.8	5.2	0.0	0.0	0.0	74.6	25.4	0.0	0.0	0.0
Wood and Wood Products	94.1	5.9	0.0	0.0	0.0	84.3	15.7	0.0	0.0	0.0
Textiles and Clothing	82.4	17.6	0.0	0.0	0.0	6.0	94.0	0.0	0.0	0.0
Footwear	39.7	60.3	0.0	0.0	0.0	29.2	70.8	0.0	0.0	0.0
Cement, Stone, Glass, Ceramics	97.2	2.8	0.0	0.0	0.0	67.0	33.0	0.0	0.0	0.0
Metals and Metal Products	90.1	9.9	0.0	0.0	0.0	80.7	19.3	0.0	0.0	0.0
Machinery and electrical equipment	78.7	21.3	0.0	0.0	0.0	95.0	5.0	0.0	0.0	0.0
Transport Equipment	13.4	86.6	0.0	0.0	0.0	51.9	48.1	0.0	0.0	0.0
Miscellaneous	99.5	0.5	0.0	0.0	0.0	88.6	11.4	0.0	0.0	0.0
Total trade	72.4	19.7	0.4	7.3	0.3	54.3	40.7	0.45	3.42	1.13

Notes: 'Immediate zero tariffs' means either tariff elimination in the first year of the implementation of the agreement or zero tariffs in current tariff schedules. 'Gradual full liberalisation' means that tariff reductions are phased in over several years. 'Partial liberalisation' refers to a situation where non-zero tariffs will remain even after the full implementation of the agreement. Source: own elaboration on the agreement in principle annexes and Eurostat COMEXT 2019 trade data.

On the Mercosur side the implementation of the EUMETA would immediately result in 15.9 % of trade subject to zero tariffs (more than double the level from 2019), while an additional 74.8 % will be fully liberalised in up to 16 years following the EUMETA. Tariffs will be phased out in gradual way over this period. Therefore, the full implementation of the agreement will result in 90.7 of 2019 trade to be tariff free and a similar percentage of goods traded. Only 0.4 % of 2019 EU exports to Mercosur and 0.3 % of products will be subject to TRQs. All in all, the reduction in tariff barriers on the Mercosur side appears to be much more pronounced than on the EU side, which mainly stems from a significant difference in initial levels of tariff protection.

In order to analyse the structure of non-tariff protection, we perform a frequency analysis of NTMs using UNCTAD data available for 2010-2018 which we extrapolate to 2019 to match with the latest complete trade data obtained from UN COMTRADE. We compute two types of measures of incidence of NTMs. One is the frequency indicator that shows the share of narrowly defined products (in HS6 classification) subject to NTMs in total number of traded products. The other is the coverage ratio which shows the share of trade subject to NTMs in total value of trade. Both groups of indicators are computed using bilateral trade between Mercosur and EU member states.

Table 7 Mercosur tariff liberalisation versus the EU

section	Percentage of Mercosur imports					Percentage of all CN8 categories in the tariff schedule				
	Immediate zero tariff	Gradual full liberalisation	Partial liberalisation	TRQ	Excluded from liberalisation	Immediate zero tariff	Gradual full liberalisation	Partial liberalisation	TRQ	Excluded from liberalisation
Live Animals; Animal Products	33.4	51.4	1.9	11.3	2.0	26.4	65.7	0.4	3.3	4.2
Vegetable, Fruits, Nuts	26.4	65.9	0.0	3.3	4.4	44.6	52.2	0.0	0.2	3.0
Food Products	3.4	81.9	0.0	9.4	5.3	18.5	66.1	0.0	4.0	11.4
Minerals	0.8	99.2	0.0	0.0	0.0	4.4	95.6	0.0	0.0	0.0
Fuels	97.7	0.3	0.0	0.0	2.0	91.3	7.2	0.0	0.0	1.4
Chemicals	7.4	87.1	0.0	0.0	5.5	3.7	93.1	0.0	0.0	3.1
Plastic and Rubber	0.6	56.2	0.0	0.0	43.3	1.2	83.3	0.0	0.0	15.5
Leather	0.0	11.3	0.0	0.0	88.7	0.0	36.3	0.0	0.0	63.7
Wood and Wood Products	13.8	74.2	0.0	0.0	12.0	2.8	59.3	0.0	0.0	37.9
Textiles and Clothing	19.4	80.6	0.0	0.0	0.0	6.5	93.5	0.0	0.0	0.0
Footwear	0.1	64.5	0.0	0.0	35.4	1.4	32.9	0.0	0.0	65.7
Cement, Stone, Glass, Ceramics	0.0	91.7	0.0	0.0	8.3	2.9	69.6	0.0	0.0	27.5
Metals and Metal Products	2.0	90.1	0.0	0.0	7.9	1.6	91.1	0.0	0.0	7.3
Machinery and electrical equipment	13.4	78.1	0.0	0.0	8.5	15.9	78.4	0.0	0.0	5.7
Transport Equipment	19.3	74.8	0.0	0.0	5.9	14.9	65.1	0.0	0.0	20.0
Miscellaneous	15.7	74.4	0.0	0.0	9.9	13.8	63.9	0.0	0.0	22.3
Total trade	15.9	74.8	0.0	0.4	9.0	10.7	80.0	0.0	0.3	8.9

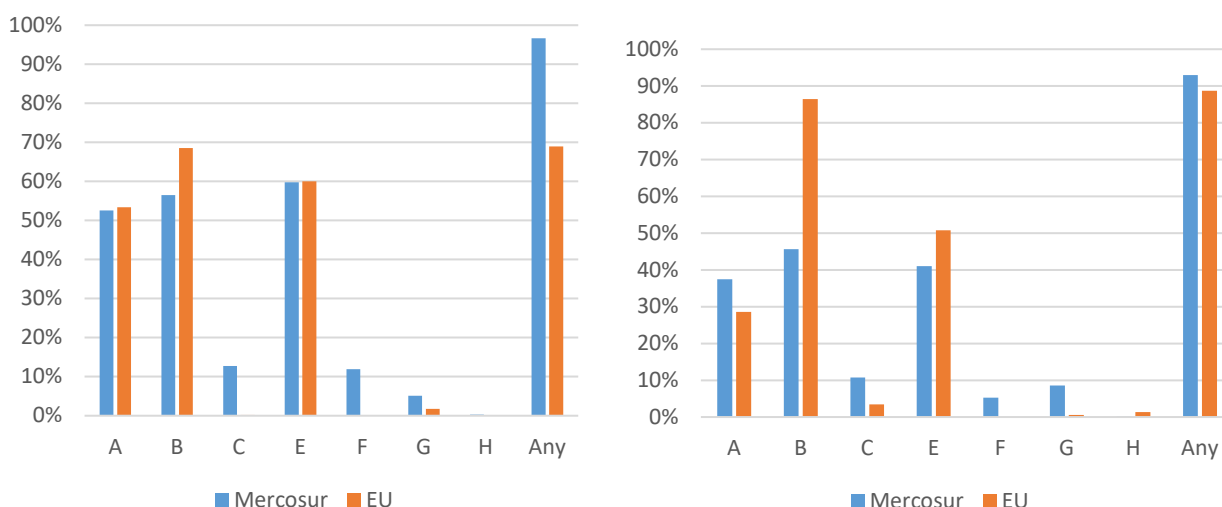
Source: own elaboration on the agreement in principle annexes and SECEM Mercosur 2019 trade data. Notes: 'Immediate zero tariffs' means either tariff elimination in the first year of the implementation of the agreement or zero tariffs in current tariff schedules. 'Gradual full liberalisation' means that tariff reductions are phased in over several years. 'Partial liberalisation' refers to a situation where non-zero tariffs will remain even after the full implementation of the agreement.

The results of the analysis show that both EU imports from Mercosur and Mercosur's imports from the EU are heavily regulated compared to average numbers presented e.g. in Disdier and Fugazza (2020). As many as 96 % of all imported products by the four Mercosur countries is subject to at least one regulation with a corresponding number for the EU at 69 %. Considering the sizes of actual trade flows it turns out that 93 % of the value of imports on the Mercosur side is subject to NTMs (89 % at the EU side). The predominant regulations are SPS and TBT that cover at least 50 % of traded products (TBT almost 70 % of imported products at the EU side). Other important NTMs include the quantitative restrictions and import licenses which apply to 50 % of traded products a similar fraction of value of imports on both sides. NTMs that seem to be more prevalent on Mercosur's side than in the EU are pre-shipment inspections and other formalities, price control measures and finance measures (see also section 3.4.3).

It is difficult to assess the evolution of trade within the particular NTM categories as the coverage of NTMs has significantly changed over time. The UNCTAD data shows almost 20 000 newly introduced regulation-product pairs on the EU side since 2010 (one regulation can apply to several products) and almost 40 000 on the Mercosur side. Hence the coverage and frequency of NTMs have risen significantly over the analysed period. We have performed a regression analysis at the product-level to understand how these newly introduced regulations affect trade. The results of this analysis are presented in Table 8. The coefficients shown can be understood as the approximate percentage change in imports after introduction of new regulations to a product that has not been previously subject to this type of NTM. These results are mixed, i.e. they show a significant negative impact of new TBTs and SPS on the imports of EU side by respectively

7 and 11 %⁹. However, at the same time, SPS and TBT have not had a negative effect on the volume of imports of Mercosur from the EU. In fact, EU exports to Mercosur covered by new TBT and SPS regulations trade have been growing faster than average. On the other hand, Mercosur’s imports subject to licencing and quantitative restrictions (e.g. often on agricultural exports), as well as finance measures have fallen significantly after introduction of these regulations.

Figure 9 NTM frequency indicator (left), coverage ratio (right), 2019



Note: A – SPS, B – TBT, C – Pre-shipment inspection and other formalities, D – Contingent trade protective measures, E – Non-automatic licensing, quotas, prohibitions and other quantity control measures, F – Price control measures including additional taxes and charges, G – Finance measures, H – measures affecting competition, Any – incidence of any of the above measures. Source: Own analysis using UNCTAD NTM data and COMTRADE trade data.

Table 8 Difference-in-difference estimation results of the effects of new NTMs on the level of trade

Variables/NTM types	EU imports	Mercosur imports
A	-0.115** (0.0557)	0.220*** (0.0146)
B	-0.0732** (0.0356)	0.0535*** (0.0117)
C	-0.138 (0.0902)	0.194*** (0.0135)
E	-0.0281 (0.0396)	-0.129*** (0.0124)
G	1.107*** (0.124)	-0.161*** (0.0157)
Constant	2.206*** (0.0254)	2.796*** (0.00700)
Observations	216 510	592 705
R-squared	0.481	0.417

Note: A – SPS, B – TBT, C – Pre-shipment inspection and other formalities, D – Contingent trade protective measures, E – Non-automatic licensing, quotas, prohibitions and other quantity control measures, F – Price control measures including additional taxes and charges, G – Finance measures, H – measures affecting competition. Standard errors in parentheses. Significance: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Source: own estimation using UNCTAD NTM data and COMTRADE trade data.

⁹ It is worth noting that due to technical reasons, this analysis does not include goods where the introduced barriers were potentially prohibitive, i.e., the recorded trade flows drops to zero as these categories are no longer included in trade data.

In Table 9 we show the detailed NTM categories with top incidence. It is important to note that this table includes all measures applied towards all EU and Mercosur trading partners and not just the ones applied in bilateral trade between the two trading groups of countries. Thereby it indicates the general relevance of certain measures of each trading partner, however bilaterally different priorities can occur. As TBTs and SPS measures are the most prevalent, this is also reflected in the table with TBT and SPS related labelling requirements, certification requirements, authorisation requirements and inspection requirements being the most prevalent. Others include non-automatic licensing and quantitative restrictions. Worth noting is the prohibition for non-economic reasons applied to several product categories in both Argentina and Brazil.

Table 9 NTMs with top incidence (in order of decreasing incidence)

Mercosur imports		EU imports	
Code	Description	Code	Description
B31	Labelling requirements	B31	Labelling requirements
E1	Non-automatic import-licensing procedures	B83	Certification requirements
B82	Testing requirements	B7	Product quality, safety or performance requirements
A82	Testing requirements	B82	Testing requirements
B83	Certification requirements	E1	Non-automatic import-licensing
B14	Authorisation requirements for importing certain products	B84	Inspection requirements
A14	Authorisation requirements for sanitary and phytosanitary reasons for importing certain products	A21	Tolerance limits for residues of or contamination by certain (non-microbiological) substances
A84	Inspection requirements	A31	Labelling requirements
A83	Certification requirements	E32	Permanent quotas
E321	Prohibition for non-economic reasons not elsewhere specified	E125	Licensing for the protection of public health

Source: UNCTAD NTMs data. Note: the table covers the NTMs that are present in the most categories of products and/or have the highest number of distinct regulations.

3.4.1 Sanitary and phytosanitary measures

Generally harmonising or coordinating NTMs such as the SPS measures results in significant benefits beyond those from tariff reduction. Some studies indicate that around 70 % of expected trade effects of the EUMETA are attributable to NTMs (Hovmand et al. (2021), p. 74). SPS measures account for a large part of NTMs in bilateral EU-Mercosur trade (see Figure 9). The frequency of SPS measures is practically identical on both sides, but the Mercosur side has a higher number in terms of the volume of trade affected (Figure 9). It is important to note that the EU applies a harmonised system of SPS requirements at the border thanks to the internal market. Although regulatory harmonisation is envisaged intra-bloc in Mercosur, the degree of regional harmonisation is still much lower than in the EU resulting in different approaches to SPS across Mercosur countries (Bruszt & McDermott 2014, p.212). Compared to the EU, there are also differences in the implementation of the regional alignment of SPS measures within Mercosur, as Mercosur is mainly following a set of product/sector-specific mutual recognition provisions and even private arrangements to align standards regionally (Orcalli 2018, Caichiolo 2019). At both sides the import-approval system is strongly product-specific.¹⁰

Examples, of SPS measures that have delayed bilateral trade are checks of certification for plant products in accordance with the Brazilian Pest Risk Analysis (PRA). These have been reported by Dutch exporters

¹⁰ See import procedures for agricultural products at Mercosur side e.g. for Brazil <https://www.gov.br/agricultura/pt-br/assuntos/inspecao/produtos-animais/importacao-de-produtos-de-origem-animais> and e.g. for Argentina https://eeas.europa.eu/delegations/argentina/18282/prelisting-system-country_en.

(Carrico et al., 2020, p. 19), who see enhanced coordination of SPS rules as necessary to ensure future trade. They also raise concerns that the full potential of trade liberalisation won't be realised even with the agreement in force due to difficult aligning procedures in the Mercosur (Carrico et al., 2020). On the other hand, there is concern that food safety will suffer due to ineffective controls as a result of the lack of alignment of procedures but increased trade at the same time (Treat 2020).

In general, SPS standards are based on WTO rules in the SPS-Agreement, and all FTAs including the EUMETA refer to their substantive provisions such as references to maximum residual levels for certain substances. For these standards, enforcement at the border is possible in the case of non-fulfilment, e.g. by means of an import ban.

In addition to the provisions based on the WTO SPS Agreement, an FTA can serve as the basis for further cooperation on governing health issues and assisting partners with fulfilment or inspection needs related to detecting specific issues. Therefore, some experts even anticipate increased food safety as a result of the agreement (Hovmand et al. 2021, p. 71) in contrast to concerns raised by NGOs.

In the EUMETA the following rules are covered:

As in other EU trade agreements, the SPS chapter makes no explicit reference to the precautionary principle. The issue might be addressed implicitly by Art. 5.7 of the WTO SPS agreement, which is referred to in the chapter. However, it is debatable whether that Article fully encompasses the EU approach to the precautionary principle. The TSD chapter contains a more comprehensive version of the principle. However, it is unclear how that provision could inform the reading of the SPS chapter.

The SPS chapter starts with the first objective of ensuring human, animal, and plant health, while also aiming at trade facilitation (Art. 1 SPS chapter, EUMETA). Trade facilitation includes provisions like the approval and authorisation of export establishments and simplified controls and verification procedures at the border (Art. 7 SPS-chapter, EUMETA). Though, authorisation can be withdrawn if the standards of the importing country are not met.

As individual inspections of single establishments are barred once the official control system of the exporting partner has been accepted (Art. 7, SPS-chapter A.2, EUMETA), the approval of the control system becomes key. However, in case of health risks for humans, animals and plants emergency measures can be established (Art. 14 SPS chapter, EUMETA).

The bilateral approval of the partner's governance system is also relevant for the suggested equivalence (Art. 8 SPS-chapter, EUMETA). Different administrative cultures and public sensitivity make such an acceptance complex, explaining why they hardly exist in the food area (see also Table 21) (Rudloff & Wieck, 2020). Only in FTAs where pre-existing arrangements have been concluded, e.g. on animal-borne health issues, could these be included. Such agreements exist with Australia, New Zealand, and the USA.

It is worth mentioning that a unilateral equivalency agreement for the organic foods sector exists, but only with Argentina.¹¹ It applies the EU's organic quality and controlling requirements to the partner and is based on acceptance of the partner's governance of quality as part of a complex approval procedure. Trade delays can then be reduced as import checks for single products are not required due to trust in the partner's accredited general control system. Even though this agreement is not linked to food health issues, its existence shows that the EU has identified and accepted a high quality of governance, control

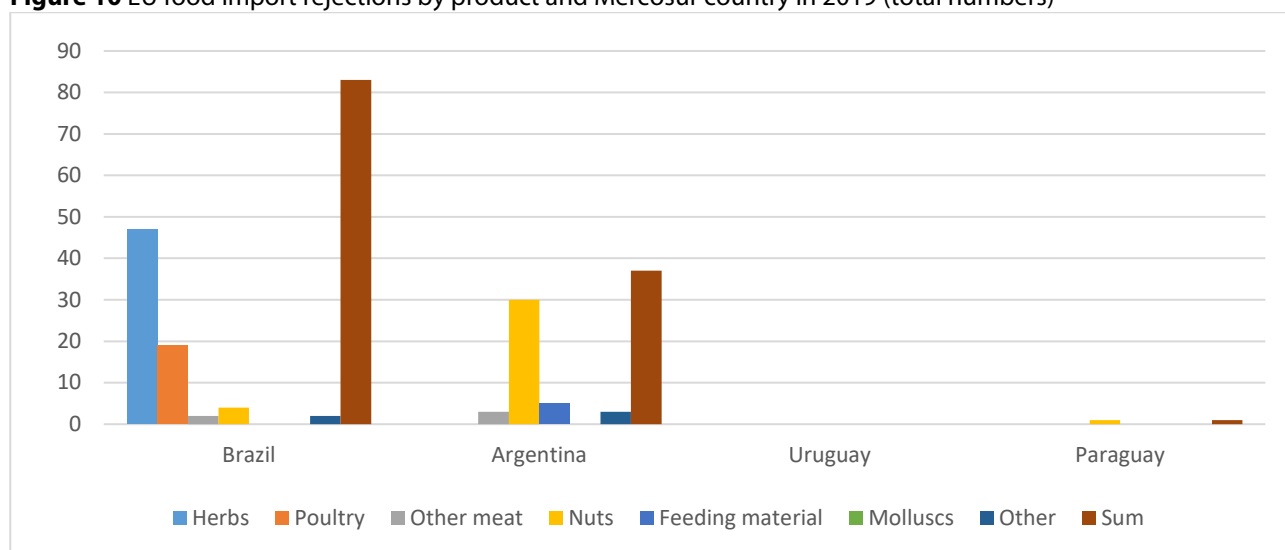
¹¹ EU site, Trade in organics, available at: https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/trade_en

and certification system in Argentina. This experience with organic food and with implementing respective administrative requirements may provide a model for other measures relevant to food health.

Another relevant WTO principle is the concept of regionalisation that allows for exports from areas 'free of disease' to continue if an outbreak of a disease is limited to defined areas. For example, a relevant animal disease for the EU-Mercosur meat trade is the foot and mouth disease (LSE, p. 183ff). Although only Uruguay has a national wide 'free-disease status', other countries where the disease is present in some regions can still export due to the regionalisation concept (LSE p. 184). The EUMETA refers to such regional conditions (Art. 10 SPS chapter, EUMETA).

Further evidence on specific areas of sensibility and actual recent food safety risks can be drawn from the EU rapid alert system for food and feed (RASFF), which monitors all types of import-related safety problems and counter measures. In 2019, the EU notified 3 794 safety-related issues, of which one third were so-called 'serious' cases (referring to a potential health risks classification of RASFF). The most severe counter measures are border rejections by the EU due to detected violations of EU standards. Out of nearly 1 000 border rejections in 2019, about 10 % (equal to 121) concerned products from Mercosur countries. In total 80 rejections were applied to Brazilian products and 40 to Argentinian, but nearly none to products from Uruguay and Paraguay (Figure 10).

Figure 10 EU food import rejections by product and Mercosur country in 2019 (total numbers)



Source: Own calculation based on the RASFF system [RASFF Portal \(europa.eu\)](https://ec.europa.eu/rasff/).

This data must be viewed against the overall volume of imports given that more imports increase the probability of observed problems without a substantial increase in underlying health problems. Therefore, the data do not identify risks for a particular branch per se compared to others but can help to prioritise areas for increased cooperation, especially if trade volumes are expected to raise:

- For instance, nuts are typically linked to safety concerns (mainly due to Aflatoxin) and account for 12 % of all rejections regardless of origin. In addition, herbs (salmonella in black pepper) and meat (primarily salmonella in poultry) (see Figure 10) are generally an area of concern. In total, 30 % of all EU-rejections are due to poultry regardless of origin. Therefore, the 20 rejections of Brazilian poultry in 2019 cannot be seen as a specific Brazilian problem. Nevertheless, counter measures against Brazilian exporters were implemented (Box 2).
- In the case of herbs, Brazil accounted for nearly 50 % of all EU rejections of imported herbs.

There were hardly any rejections of imports from Uruguay and Paraguay, which appear to pose fewer problems, even when the smaller trade volumes are taken into account (see Figure 10).

As unsafe products originating from Mercosur are prevented from entering the EU market there were no subsequent health hazards, however the frequency of controls is a factor.

Overall, the increase in imports from Mercosur predicted in modelling of the impact of the agreement may not *per se* lead to an increase in food safety risks. First of all, the EU standards will be maintained as will the EU's procedural requirements for border checks (Art. 14 SPS chapter, EUMETA, Hovmand et al. (2021), p. 73). Secondly, however the foreseen trade facilitation by making border crossing simpler needs to be based on sufficient governance quality to provide effective safety.

The risk of a rejection is usually a sufficient incentive for the exporting actors to increase their own quality controls. Within the framework of the agreement, one should address remaining risks by means of bilateral dialogues, technological and capacity cooperation, especially on certain identified sensitive products.

There exist some expert exchange programmes, which may help to support mutual knowledge on different safety approaches. One organizer is the Standards Trade and Development Facility (STDF, founded by UN organisations, the World Bank and WTO). To date there is one project started in 2020 specifically on food safety quality controls in Latin America covering Argentina among other countries (Food Safety Risk Analysis Capacity Building Program in Latin America (covering Argentina, Colombia, Costa Rica, Honduras, Nicaragua, Paraguay) (STDF, 2021).

Box 2: Areas of sensibility and conflicts on food safety between EU and Mercosur

1) Past conflicts with WTO relevance

- On *GMOs* Argentina initiated a complaint against the EU's moratorium on the approval of GMOs similar to the cases brought by the US and Canada. This led other Mercosur countries to join the complaint as third countries (WTO DS293, 2010).
- On *hormones as a growth promoter*, all Mercosur countries now follow the same approach as the EU on cattle, i.e., prohibiting their use, but for veterinary reasons (WTO trade reports, different years). Brazil alone still uses growth hormones for pork.

2) Recent food risks of significant public concern

- A *beef scandal* in 2017 concerning bribed inspections in Brazil led to the approval of rotten but treated (as fresh-looking) beef. The result was a ban on 12 meat export companies by the EU as well China. Such responses can be implemented fast to avoid risks, but continuous coordination of quality controls is in the interest of both sides (CTV news 2017).
- Regarding *pork*, the EU bans the use of ractopamine, but this is still allowed in Brazil (Ghiotto & Echaide, 2020).
- For *poultry* the EU de-listed 20 Brazilian processing plants due to salmonella, resulting in a significant decrease in exports in 2018. The affected facilities then had to provide evidence of compliance with EU production standards (USDA FAS, 2020d).
- *Salmonella in pepper* is important due the scale of EU imports from Brazil. But increasing salmonella contamination observed over time has recently led to EU action on improved implementation of controls (European Commission, 2021).

Source: Own compilation.

Recommendations for supporting bilateral trade in agri-food products:

- **focus on typical areas of current risk using existing and envisaged bilateral cooperation.** Existing exchange programmes of experts such as those provided by the STDF may help to support mutual knowledge not only on different domestic standards but also different governance traditions;
- **focus on approving partner's control systems as a first step** to facilitate trade by means of simplified procedures at the borders. This requires supporting governance quality and developing strict and transparent auditing of the respective authorities in the partner country. Such a focus on the administrative structures will also support equivalence approaches;
- **develop equivalence by building strong administrative quality** for bodies involved in safety and control in order to facilitate trade without incurring safety risks;
- **consider a communication strategy** that addresses the public concern about reductions in safety, provides transparency and provides reassurance that EU standards remain unchanged.

3.4.2 Technical barriers to trade

The WTO TBT Agreement¹² specifies that TBTs can stem from (i) technical regulations with which compliance is mandatory, (ii) standards, with which compliance is non-mandatory, and (iii) conformity assessment procedures that determine whether requirements of technical regulations or standards are fulfilled. The TBTs thus may hamper or enhance trade (see, e.g., Ghodsi et al. 2016) depending on the combined effect of their introduction on demand for imports and supply of exports (see, e.g., WTO, 2012). In particular, those regulations that require adjustments to product characteristics and/or production processes in order to make them compatible with the destination country regulations can increase both the variable and fixed cost of operation of firms. Hence, they may have an uneven impact on the ability to export of small firms supplying to a limited number of destinations as opposed to large firms. On the other hand, compliance with the regulations and standards by exporting firms reduces the information asymmetry on the part of consumers and may lead to an increase in import demand. The purpose of technical regulations and standards is exactly that, i.e., signalling to the consumer that a particular product meets certain requirements that are potentially important to the consumer and the consumer does not have to verify those characteristics herself or himself. Therefore, harmonisation of regulations, application of internationally recognizable standards, and mutual recognition of conformity assessment procedures (i.e., testing, certification, etc.) can be trade enhancing. On the other hand, large differences between the national regulations can increase the costs of exports and reduce the gains from trade. In particular, they can be introduced as a substitute to tariffs (e.g., Aisbett and Pearson, 2012; Beverelli et al., 2014) where the aim is restricting trade rather than achieving the goals related to consumer health and safety, environmental protection etc. Lack in recognition of the national conformity procedures could additionally increase both direct (e.g., double certification) and indirect (e.g., time) trade costs. The assessment of the effect of TBTs on trade is thus considerably more difficult to quantify compared to tariffs due to their non-price nature, often gradual onsetting and lower transparency of the relevant regulations, as well as lack of common methodology for their assessment.

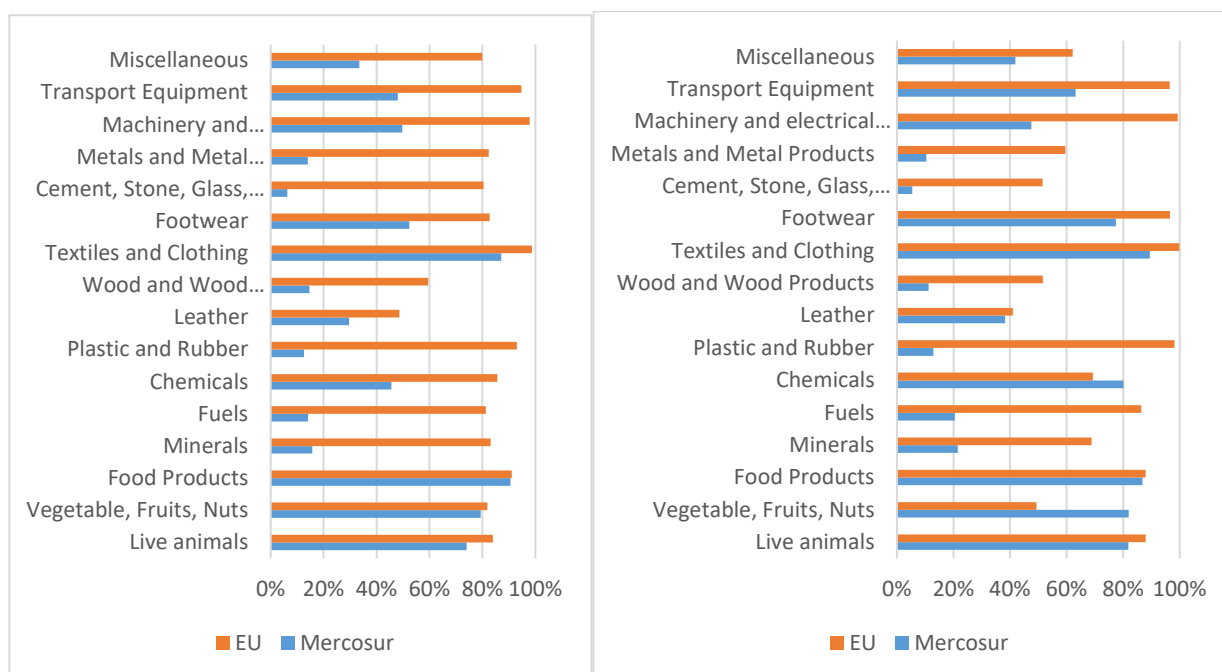
However, the differences across the two partners with respect to the regulatory environment are substantial. A recent study by UNCTAD (2017) analyses the regulatory distance (a measure of similarity of the regulatory environment) within Mercosur countries and with respect to the EU and the United States. According to the results of the study, as far as technical measures are concerned, both EU and Mercosur product markets are heavily regulated (with more regulations in the EU) but they are regulated in different

¹² Available at: https://www.wto.org/english/docs_e/legal_e/17-tbt_e.htm.

ways. Moreover, while the technical regulations of Mercosur countries are more similar to each other than they all are to EU, there are still sizeable differences across the Mercosur countries which means that unlike in the EU, where in most problematic sectors regulations are harmonised as part of the internal market (see, e.g. Brenton et al. 2001), the exporters to Mercosur have to take into account this Mercosur-wide differences. In that regard, the regulatory distance between EU, Brazil and Uruguay is slightly shorter than it is in the case of the remaining Mercosur countries. This is particularly true for the agricultural sector and to a smaller extent in manufacturing where the distance between EU and Mercosur is large but differences across Mercosur countries are slightly smaller. This means that fulfilling different regulations of Mercosur countries in the manufacturing sector may be easier as they are more similar across Mercosur countries that it is the case in agriculture where they are more diversified. It is again important to note that TBT on agriculture have to be separated from SPS regulations, which are specifically addressing food safety as well as human, plant, and animal health risks and are covered by a different chapter of the agreement.

To complement these findings, we perform a frequency and coverage ratio analysis similar to the one described in the beginning of section 3.4. However, this time we focus on TBTs and their incidence in the aggregate product categories. This analysis confirms the previous results, i.e., one can see that the percentage of tariff lines and EU imports from Mercosur that is subject to TBTs is in general considerably higher than in the case of Mercosur imports from EU. Moreover, the frequency of regulations in the EU is quite evenly spread across sectors with over 80 % of categories of goods subject to at least one technical regulation, while in Mercosur comparable levels of regulation are only found in the agri-food sectors. While the overall quality of regulations is very important, one can expect that since EU producers are subject to many more regulations than Mercosur ones, chances that they already fulfil the Mercosur regulations are considerably higher than that of Mercosur producers being automatically compliant with the EU regulations. The econometric analysis shown earlier confirms this, i.e., new regulations on the EU side are associated with lower imports from Mercosur while the Mercosur regulations do not seem to have the same effect on EU exports. This is also confirmed by the results of the UNCTAD (2017) study which postulates higher tariff equivalents (a measure of stringency of regulations) of non-tariff measures in the EU than it is the case in Mercosur.

Figure 11 The frequency (left) and coverage (right) ratios of TBTs in bilateral trade



Note: data for 2019. 'EU' refers to EU's imports and 'Mercosur' to Mercosur's imports. Source: Own analysis of UNCTAD NTM data and COMTRADE trade data.

Turning to the content of the EUMETA, the TBT chapter introduces several provisions that are already foreseen in the TBT Agreement of the WTO that is anyway binding. In general, the WTO agreement stipulates that the technical measures serve their primary purpose and do not constitute an unnecessary barrier to trade. This main principle has found its way to the preamble of the TBT chapter stating its objective as ‘identifying, preventing and eliminating unnecessary technical barriers to trade and to enhance cooperation (...)’. Moreover, the TBT chapter stresses commitment to other WTO principles such as the most-favoured nation and non-discrimination. The WTO TBT Agreement is specifically reaffirmed in the Art. 2 of the TBT chapter of the agreement in principle. Direct references to the TBT Agreement are also included in the Art. 5 of the TBT chapter that covers technical regulations and underlines preference for performance-based technical regulations and the use of impact assessments and stakeholder consultations when introducing new technical regulations. Moreover, the article stipulates the use of international standards when establishing regulations and conformity assessment procedures which assures at least partial compatibility of national regulations across partners. Art. 6 underlines the use of standards established by international organisations in line with the TBT Agreement. Art. 9 reaffirms the WTO regulations concerning the mandatory labelling of products.

The TBT chapter of the EUMETA further sets a number of WTO+ standards, going beyond the WTO baseline (European Commission, 2019). These include, in particular alignment on the scope of the relevant international TBT standards (Art. 6), the clear consensus on which is still lacking in the WTO rules, as well as the convergence of the national conformity assessment procedures towards the use of international schemes and acceptance of the EU certificates by Mercosur countries (Art. 7). The latter is especially important for the electric and electronics sectors, where the assessment procedures differ between the EU and Mercosur countries, as the provisions of the agreement would allow to avoid double certification thus streamlining cross-border procedures and substantially decreasing trade costs. In this light, the agreement on the application of the TBT disciplines on marking and labelling (Art. 9), including allowance in supplementary labelling and acceptance of non-permanent labels, is expected to reduce packaging adaptation costs and facilitate market access for the Mercosur operators (van Berkum, 2015).

Another important extension of the TBT rules in the agreement concerns the notion of transparency and dialogue with stakeholders (Ghiotto and Echaide, 2020) in the development of technical regulations (Art. 8). This facilitates early identification of potential TBTs, their discussion by the parties at the stage when the comments can still be considered, and possible intervention of the parties in the decision-making processes on technical regulations of the party.

Motor vehicles and parts constitute a special case as exports of motor vehicles are historically important in intra-Mercosur trade but they are heavily protected, excluded from the Mercosur agreement and in a significant decline in the last decade (UNCTAD, 2017). Moreover, apart from non-automatic licencing requirements, EU producers face certification requirements in the Mercosur markets. The annex to the EUMETA ‘on motor vehicles, equipment and parts thereof’ is meant to lower regulatory barriers through ‘elimination of unnecessary barriers’, simplification of regulations and improving non-discrimination and transparency. This in particular applies to the Mercosur countries who are not contracting parties to the 1958 Agreement¹³ referenced in the annex who are obliged to accept certificates issued by other party in the process of issuing the domestic certificates (either ones obtained through an UN type approval system or EU type approval system). Moreover, the EU is going to accept the test reports of Mercosur vehicles and parts if those test reports are performed by the laboratories in Mercosur countries that are branches of laboratories established in the EU under EU or UN-approval systems.

¹³ UNECE ‘Agreement concerning the adoption of uniform technical prescriptions for wheeled vehicles, equipment and parts which can be fitted and/or be used on wheeled vehicles and the conditions for reciprocal recognition of approvals granted on the basis of these prescriptions’ (E/ECE/TRANS/505/Rev.2, amended on 16 October 1995). This agreement provides a legal framework for a common set of technical regulations and protocols for type approval of vehicles and vehicle parts.

The EUMETA does not have a separate regulatory cooperation chapter which is found in other EU agreements (e.g., CETA, see also Table 21). Instead, the importance of joint cooperation on trade facilitating initiatives is explicitly highlighted in Art. 4, while regulatory cooperation is recognised as a key implementation component of the thematic TBT provisions of the chapter (e.g., EUMETA Art. 7 on conformity assessment procedures, Art. 9 on marking and labelling, etc.). Thus, while not directly lowering the baseline TBT standards, the agreement provides greater flexibility on a number of TBT aspects and opens the possibilities of future trade facilitation.

Considering the often lengthy regulatory procedures in the EU and Mercosur countries and the time needed for the TBT provisions to set in, the main effects of the EUMETA on this matter are expected to proliferate through long-term improvement of the regulatory and trade facilitations frameworks as well as gradual convergence of standards. Given the well-established regulatory framework of the EU, it is however, unlikely that the EU will lower its standards, one can rather expect that the Mercosur countries are going to gradually converge to the EU and international standards. Hence, the effects of the agreement in the medium term are expected to stem from a substantial tariff liberalisation and reduction of other NTBs rather than the reduction of technical barriers to trade per se.

3.4.3 Other types of non-tariff barriers to trade

The Trade in Goods chapter of EUMETA is aimed to tackle non-tariff measures that function as barriers to trade. Some of these provisions can be considered ambitious and novel in EU FTAs. This applies, in particular, to sectors often affected by non-automatic import licenses (EUMETA Art. 6). The EUMETA in the Trade in Goods Chapter includes a provision banning non-automatic import licenses, except for a few cases where they are still allowed (agricultural TRQs and security exceptions). This provision is further reinforced by setting out a prohibition of price requirements and performance requirements (e.g. local content, relevant in particular in Brazil, see, e.g., Deringer et al. 2018, Araujo & Flaig 2017 as well as BDI 2017) on exports/imports (Art. 10(2)) and the prohibition of export/import monopolies (EUMETA Art. 9(3)), in order to address concerns of restrictions on imports/exports via said monopolies (see also Baltensperger & Dadush 2019). Price control measures and quantitative restrictions that include the non-automatic licenses, are the most common types of NTMs EU exporters face across the world beyond TBT and SPS (see, e.g., International Trade Centre & European Commission, 2016).

Moreover, the EUMETA contains ambitious clauses on the elimination of fees and facilitating customs procedures (EUMETA Art. 5). The Agreement will eliminate a series of cumbersome and costly fees currently existing in Mercosur countries. It also foresees the elimination of all fees connected with imports, except if a special service is rendered (e.g., laboratory analyses, opening of customs services outside working hours) and for which the price has to be commensurate to the cost of that service.

4 Public procurement chapter in the EUMETA

4.1 General remarks

The **chapter on public procurement** of EUMETA is a significant achievement in that it contains commitments from the Mercosur partners on rules governing the award of public contracts. These include for example, transparency and non-discrimination (i.e. national treatment). There are detailed schedules governing the degree and scope of competition in the Mercosur public contract markets. In practice the goals of open competitive markets and the development aims of the Mercosur partners will be best achieved by the promotion of integrity and objectivity in the award of public contracts. If effectively implemented the procurement chapter can make a real contribution to this, especially if supported by other forms of cooperation and capacity building.

4.2 The size of the Mercosur procurement market

There is, as yet, no single Mercosur regime for public procurement as there is in the European Union. So it is still necessary to view the markets as four separate markets. Data on the size of procurement markets is generally poor and this is also the case for Mercosur. Government procurement typically accounts for about 12-13 % of GDP in the OECD economies. The share of public procurement in GDP in Mercosur can be expected to be about the same level (Ribeiro. C.G., et al 2018).¹⁴ A general assumption is that public procurement that is potentially open to competition accounts for around 8 % of GDP (Kutlina-Dimitrova, 2018).¹⁵ Total public procurement is higher, but takes forms that are not generally open to competition even when there are liberal policies, such as services in education. An estimate of the potential Mercosur procurement market open to EU suppliers is therefore around EUR 160 billion.¹⁶ Most important is of course Brazil with EUR 124 billion. This corresponds to the figure cited by the Brazilian Minister of Economy on Brazil's submission of accession documents to the WTO Government Procurement Agreement,¹⁷ and is in line with estimates of federal public procurement in Brazil that account for between 7 and 9 % of GDP (Ribeiro 2018). Argentina would be EUR 30 billion, Uruguay EUR 5 billion and Paraguay EUR 2 billion on the same basis.

4.3 EUMETA as a driver for reform

Reform of public procurement is a continuous process as policy preferences evolve and challenges of implementation continue. In Mercosur, reform efforts have been on-going for some time motivated by efforts to fight corruption and create a Mercosur procurement market. But the process is incomplete. For example, Brazil is in the process of adopting new legislation that will come into force in two years (Law 14 133 of 2021). This is intended to simplify measures adopted in the 1990s and 2000s that sought to fight corruption whilst enabling sufficient flexibility to respond to the demands of, for example, the contracts for the World Cup and Olympic games (Alvim, T., et al. 2021). At the level of Mercosur, reform in the sense of the creation a Mercosur procurement market has been on-going since at least the early 2000s and has produced four protocols on procurement. The third protocol was not adopted and the fourth of 2017 is still awaiting application.

The EUMETA as well as other agreements, such as Brazil's accession to the WTO GPA can therefore act as external drivers of reform. The EUMETA is consistent with the principle objectives (national treatment, transparency and objectivity in the procurement process) of reform embodied in the Mercosur protocols on procurement. But procurement policy in Brazil, Argentina and Paraguay (less so in Uruguay) has also been used to promote domestic firms (Sorte Junior 2016). And preferences for domestic suppliers still exist. Procurement has also been used to further social policy objectives, such as food security (Hansen-Kuhn. K, 2020) and is one of the instruments that can be deployed in the promotion of sustainable development. The provisions on government procurement in the EUMETA are consistent with promoting best practice in procurement and do not prevent the use of government procurement to pursue legitimate public policy objectives.

In a broader systemic context, a primary aim of the EU's trade policy is to defend and promote a rules-based trading system. Public procurement remains an important policy instrument available to national and sub-national governments. It has therefore been EU policy to include public procurement in multilateral rules. At the WTO this was blocked, in part by Brazil, at the Cancun WTO Ministerial in 2003. As a second-best

¹⁴ Based on procurement measured by 'other current expenditure' and 'investment' in Brazilian public finance data this shows a fairly constant level of expenditure on public procurement at 13.8 % of GDP in Brazil during the 2000s.

¹⁵ Recent (conservative) estimates for Brazil suggest 6.5 % (OECD 2018) and for Argentina 5-8 % (MZV, 2018)).

¹⁶ This is based on 8 % of the 2019 Mercosur GDP as 2020 was affected by the Covid pandemic.

¹⁷ See WTO GPA/ACC/BRA/2 Add. The figure given was USD 145 billion and is what Brazil views as the volume of procurement potentially falling under the scope of the GPA, based on 2019 data.

option the EU has promoted plurilateral approaches (the GPA) and the inclusion of provisions in preferential agreements that are consistent with the norms set out in the GPA and other agreed texts such as the UNCITRAL Model Law on Public procurement. The inclusion of a major and emerging trading partner such as Mercosur in a rules-based order for procurement therefore represents towards achieving the kind of critical mass needed for a broader multilateral framework. Given the importance of government procurement this has broader significance for the effort to maintain an inclusive rules-based trading system.

4.4 Critical implementation issues

The impact of public procurement rules in terms of both market access and their efficacy in policy terms depends crucially on implementation. Any assessment of the public procurement chapter of the EUMETA is therefore conditional on its implementation. This cannot of course be assessed before the agreement has been adopted and functioning for some years. The current assessment is therefore based on the provisions of the EUMETA including the initial schedules of entity coverage and judgement based on the experience with other procurement agreements and the past practice in the parties to the agreement.

Assessing the impact of procurement rules on market access is especially tricky because the impediments to competition and thus market access are numerous and *de facto* as well as *de jure*. *De facto* impediments can take many forms, such as established links between public purchasing entities and local suppliers that both find it convenient to retain. Local suppliers will be more familiar with the different contract award procedures, so the lack of uniform procedures or availability of information can constitute a *de facto* impediment. Technical specifications can be tailored to favour local or national suppliers. Or, imprecise or vague contract award criteria can be used as a means of favouring local suppliers for political reasons (to provide local jobs or contracts before an election). Public contracts have also been one of the most important vehicles for high- and low-level corruption, in Mercosur countries but also more generally. The desire to address these *de facto* impediments explains the complexity of rules governing public procurement. Rules on transparency, the use of uniform contract documentation and procedures, contract award procedures, technical specifications, compliance/bid challenge provisions etc. seek to facilitate competition and best practice.

The *de jure* impediments are those set out in statute and are in principle addressed through commitments to national treatment. National or provincial governments wishing to promote local production, micro, small or medium sized companies or pursue social/environmental policy objectives may establish formal, legal preferences. These can take the form of off-sets (the requirement that a specific share of a contract is sub-contracted to a local supplier), set-a-sides (a share of all procurement goes to local or small and medium sized firms) or price preferences (the contract goes to a local supplier provided their price is no more than x % above that of a non-local supplier). In recent years public procurement has been increasingly used as an instrument in promoting social or environmental policies. These objectives can be pursued whilst a 'level the playing field' for competition and access is maintained through national treatment commitments. But many countries, including developed economies, retain local preferences by means of exceptions to national treatment.

In procurement as in other aspects of trade agreements there is a need to balance the costs of compliance with the benefits of competition. In the EUMETA, as in all procurement agreements, this is done by thresholds that subject only the economically significant contracts to the full scope of the rules. In agreements between countries at different levels of development there is a need to short term benefits from more efficient use of public expenditures against longer term goals of development. In this regard the limited coverage of existing text of the EUMETA leaves considerable 'policy space' for local preferences. Just how much policy space is left is ultimately determined by the entity coverage and thus the degree of reciprocity. In its FTA policy the EU has tolerated less than full reciprocity according the level of development of its trading partners (Woolcock, 2020).

4.5 The substance of the procurement provisions¹⁸

The rules embodied in the chapter on public procurement in the EUMETA closely follow the international norm of the WTO's GPA.¹⁹ This section identifies the main distinctive elements of the EU – Mercosur rules compared, for example, with the EU-Canada agreement (CETA), the most advanced chapter the EU has negotiated. Note the distinction between the rules on procurement, which are broadly uniform across all trade agreements, and the schedules or coverage that vary.

4.5.1 The rules

National treatment: Art 6 (EUMETA) provides the standard national treatment provision with coverage dependent on the thresholds and entity coverage specified in the provisional schedules published in July 2021. Coverage is limited to central governments. This contrasts with CETA, which extends national treatment to provincial and municipal government. Under CETA a provincial government must treat EU suppliers the same as a supplier from another Canadian province. This is not the case currently for Mercosur. The Mercosur Parties are to consult with sub-central provincial governments for two years after entry into force of the EUMETA, with a view to including them. There is a similar provision on consultations with provincial government in the fourth Mercosur protocol, so inclusion of provinces in Mercosur countries will depend on the outcome of these – no doubt interdependent – negotiations.

Conduct of procurement: Art 8 of EUMETA has somewhat stronger provisions on corruption than CETA and requires the Parties to establish or maintain sanctions against corrupt practices according to their domestic legislation.

Denial of benefits: Art 10 of EUMETA provides for the denial of benefits under the agreement's provisions on procurement if a judicial person of a Party (i.e. company) is not engaged in substantial business operation [sic] in the territory of that Party. In other words, a party can deny benefits i.e. access to procurement markets if the other party is used as an 'export platform' to gain 'unfair' access to a procurement market.

Off-sets: Art 11 of EUMETA states there should be no off-sets, but as set out below the Mercosur Parties have negotiated exceptions to this prohibition.

Notice of intended procurement: to enhance transparency procurement rules include a provision that purchasing entities give advanced notice of procurement to help potential suppliers prepare. Art 13 of EUMETA has provision for this, but it is less specific in terms of the information that should be provided than in the CETA.

Post award transparency: EUMETA contains no requirement to provide statistics on contracts awarded. Information has to be provided, if requested, to unsuccessful bidders, but the lack of statistical records means that trends (for example patterns suggesting de facto preferences) will not be visible. While the collection of data represents a cost, data in the area of procurement is notoriously poor as noted above so the lack of statistical data reduces transparency.

Government Procurement Sub-Committee: in Art 27 of EUMETA there is recognition of the need for a continuous effort to make the procurement chapter effective. There is specific reference to further work on mutual opening (extension of coverage), statistical data (see above) and cooperation (for example, on the use of procurement to promote environmental objectives). Art 28 then lists areas of cooperation including sustainable procurement and micro, small and medium sized companies.

¹⁸ For the text of the Agreement and other related documents see https://trade.ec.europa.eu/doclib/cfm/doclib_section.cfm?sec=151

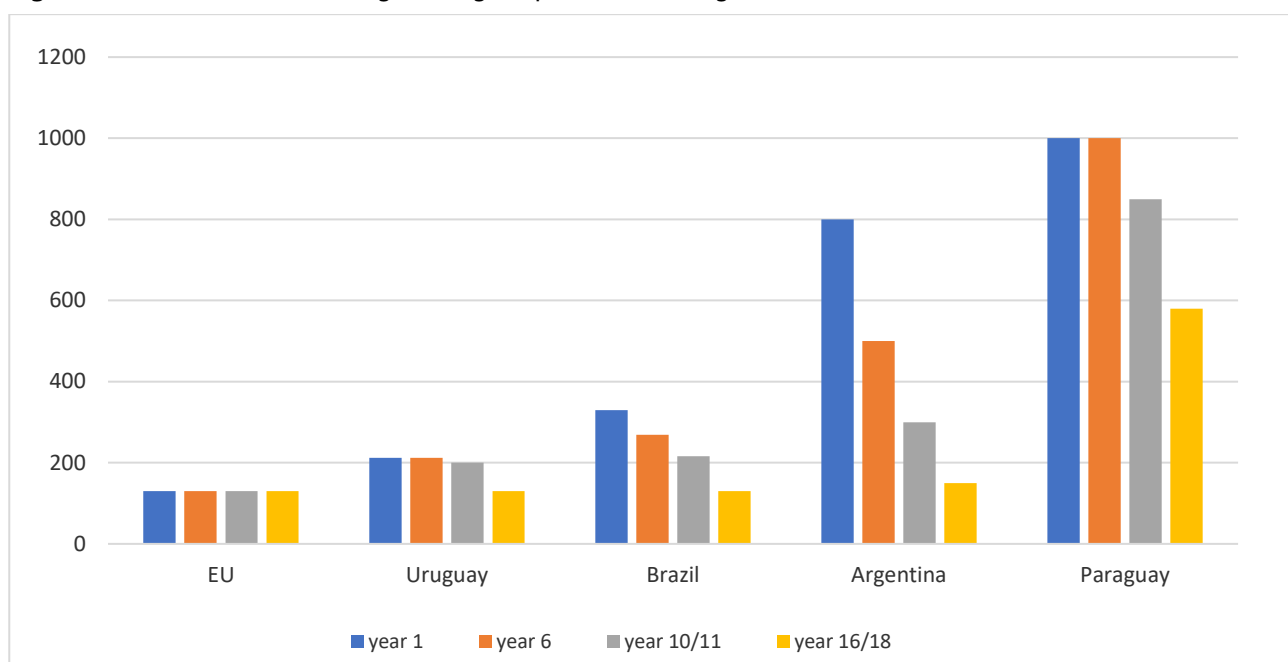
¹⁹ See Figure 4 for a comparison with other plurilateral and bilateral agreements on procurement.

4.5.2 Coverage

The coverage of procurement agreements consists of three elements: *monetary thresholds* below which smaller contracts are now covered by the rules; *entities covered*, which divides in turn into four types, central/federal government, sub-central/provincial government, municipalities and *other entities* such as state-owned enterprises (SOEs); and *types of procurement* in the form of goods, services and construction (services).

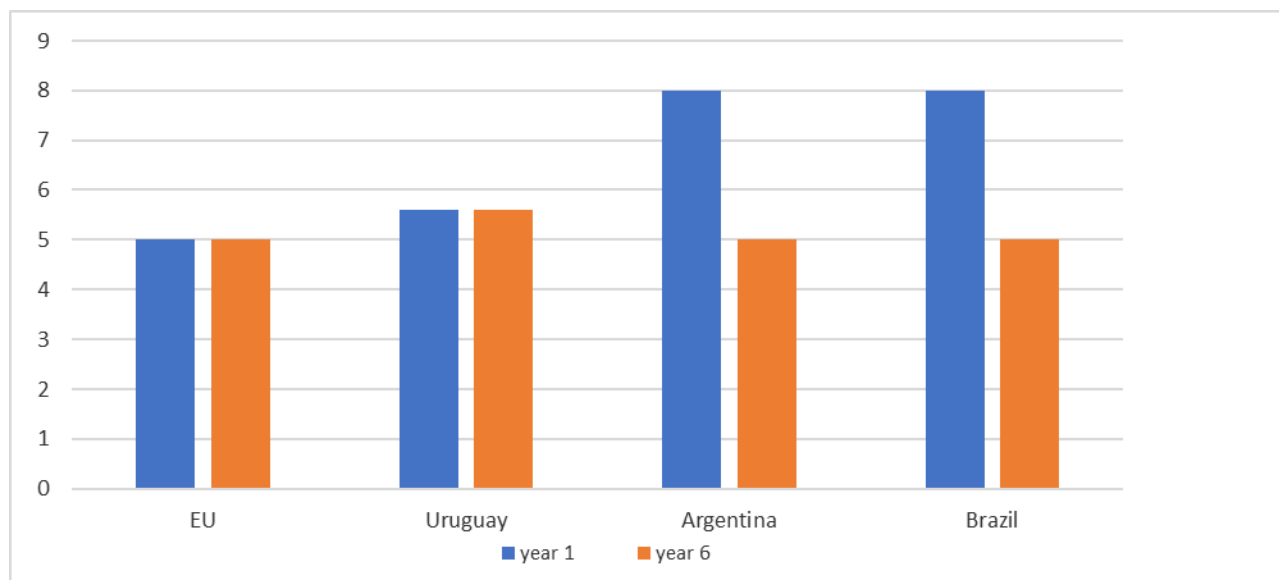
The **threshold** coverage for goods and services contracts set out in the provisional Annexes to the EUMETA are shown below. The lower the threshold the more the coverage/open the market. These are all in IMF Special Drawing Rights (SDR) rather than national currencies. The EU follows the precedent of the WTO GPA with 130 SDR for goods and services and 5 million SDR for construction/works contracts. The Mercosur Parties have negotiated rather complex transitional arrangements, starting with high thresholds and arriving at or near to 130k SDR only after 15 years (from entry into force of the agreement). Argentina and in particular Paraguay have very high initial thresholds, which will in practice significantly delay and reduce coverage and thus market opening opportunities for EU suppliers. Figure 12 shows thresholds for goods and services and figure 13 for construction services/works contracts.

Figure 12 Thresholds determining coverage of procurement of goods and services (thousands SDRs)



Notes: Years after entry into force of the agreement. The higher the number the less procurement covered by national treatment and transparency provisions so the less scope for access. Source: Annex 7 of the draft schedule available at https://trade.ec.europa.eu/doclib/docs/2021/july/tradoc_159736.pdf.

For Mercosur partners: https://trade.ec.europa.eu/doclib/docs/2021/july/tradoc_159737.pdf.

Figure 13 Thresholds determining coverage of construction services in million SDRs

Note: Construction services not covered for Paraguay. Source: Annex 7 of the EUMETA draft schedule.

As far as **entity coverage** is concerned, the provisional schedules cover only central government purchasing. The EU and Mercosur aim to negotiate coverage of sub-central procurement within two years of the entry into force of the EUMETA. Argentina, Brazil and Uruguay will consult with sub-central government with the aim of offering 65 % of coverage and the EU will presumably offer reciprocal coverage at a sub-central government level. In the case of Paraguay departmental government is covered by the EUMETA, but with the (much) higher threshold. The outcome of these consultations and subsequent negotiations with the EU over reciprocal coverage will be of major importance to the potential impact of the EUMETA.²⁰

There are no commitments to include 'other entities' from any of the Parties. This category includes state owned enterprises or enterprises over which governments are able to exercise some control over procurement policy. Again this represents less coverage than is typical in the GPA or CETA (where coverage of 'Crown Companies' is foreseen). This is of considerable importance because most of Brazil's federal level procurement is through SoEs (see Figure 38 in the annex).

Concerning the **type of procurement**, in essence most goods are covered but with exceptions (see Table 10). There is also coverage of key service sectors such as business and financial services and construction.

As mentioned above some governments make the award of public contracts conditional upon **off-sets**. These are inconsistent with the national treatment commitment and therefore prohibited unless there is an explicit exception.

- Argentina reserves the right for central government to seek or impose an off-sets for a transitional period, starting at a high 40 % of contract value for the first 8 years followed by 20 % (or 35 % for public – private partnerships) for the next 8 years.²¹

²⁰ In Brazil for which information is available the federal procurement covered breaks down as follows: health 40%, energy and mining 18%, education 12%, defence 8%, economy 5%, infrastructure 4% and other 15%. At the sub-Union level there are 26 states and 5565 municipalities. There are also separate purchasing regimes for procurement in regulated services such as water and sanitation, power, oil and gas, telecommunications, ports and airports. Public private partnerships are also extensively used in these sectors. In Argentina there are 20 federal ministries, 23 provinces plus the autonomous city of Buenos Aires (CABA), 36 municipalities of greater than 300 000 residents, 24 state owned enterprises and 60 independent entities such as the postal service.

²¹ Annex 7 of schedule for transitional scope for off-sets and price preferences.
https://trade.ec.europa.eu/doclib/docs/2021/july/tradoc_159737.pdf.

- Brazil reserves the right to impose offsets for the first 8 years after entry into force of the agreement or 15 years for the development of scientific or technical capacity.
- Paraguay has a general **price preference** determined by local value added for 18 years after entry into force of the agreement. This price preference is 20 % when the project includes 40 % local content or 70 % in the case of roads, construction or insurance services.
- Uruguay has no exceptions for off-sets.
- The EU has no exceptions from national treatment for off-sets in the EUMETA.

Table 10 Coverage by type of procurement

	Goods	Main Exceptions	Services	Construction
European Union	all	lethal weapons	business and financial services	construction services
Argentina	all exclusions for ministry of defence and security	computer screens, office machines, air conditioning	extensive coverage including ITC consulting and business services	coverage defined by UN Central Product Classification (CPC) Div 51
Brazil	all	lethal weapons, some clothing (for military), construction equipment and chemicals	essentially only business and environmental services covered	Construction services as per CPC 51
Paraguay	all	long list of excluded goods	only business services, reinsurance effectively covered	no coverage
Uruguay	all		all	all

The Mercosur partners have made extensive use of price preferences, which will need to be brought into line with the commitments in the EUMETA for covered procurement unless there are explicit exceptions.

Some examples of the extensive use of preferences to date are as follows. Brazil has pursued an active industrial policy that sets different price preferences for different sectors. Although these are temporary and have expired the new procurement legislation retains provisions that enable preference margins of up to 10 % for suppliers that meet national standards.

Central government and some provinces in Argentina has used a 5 % price preference for local goods and services or for suppliers with legal domicile in Argentina and a 7 % price preference for local goods from micro, small and medium sized suppliers (MZV 2018). For public private partnerships that are widely used for important public infrastructure contracts, the national participation must be at least 33 % in Argentina.²² In 2018 EUR 21 billion was spent on public infrastructure in Argentina, equivalent to 3.5 % of GDP, and thus a large share of public procurement. As in many countries the pressure to strengthen local content requirements for public contracts is increasing rather than easing.

The effect of price preferences, at least in the past, is illustrated in Figure 14 which shows the country of origin of goods and service of firms benefitting from price preferences in Brazil (Sorte Junior, 2018). This chart is only an illustration of the effects of price preferences as it does not provide information of the size of the contracts.

4.6 Strategic procurement

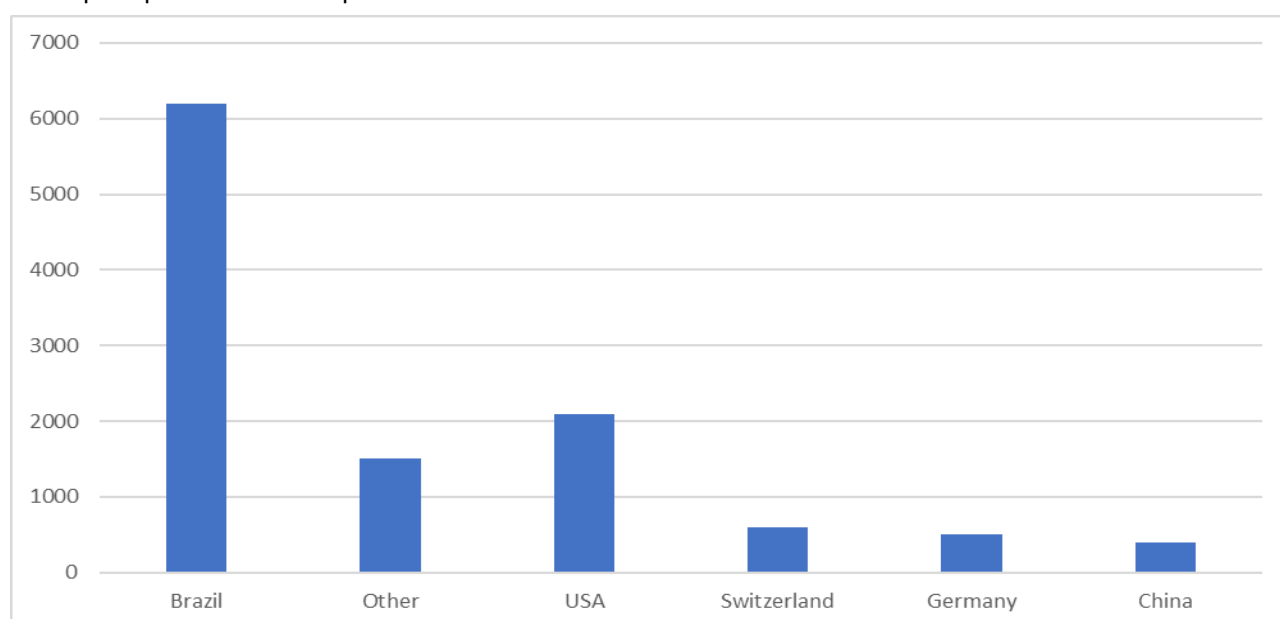
Strategic procurement can be defined as the use of procurement to pursue policy objectives other than narrowly defined economic efficiency aims. The question is then whether and if so to what extent this is

²² Art 12 of Law No 27, 328 cited in MZV op.cit.

possible when countries accede to binding rules on procurement? The generally applied contract award criteria of 'most economically advantageous' bid has always provided scope to include longer term or more general benefits. In recent years the application of strategic procurement has become general practice (OECD, 2017). The main broader objectives pursued have been: green public procurement, innovation and the promotion of micro, small and medium sized enterprises and/or social policy objectives. The latter is often linked to support for minority or disadvantaged groups such as indigenous peoples. The EU has developed these policies and continues to do so with the Green Procurement policies for example.

Strategic procurement is consistent with international agreements when they are non-discriminatory (offer national treatment). In other words, any supplier/bidder satisfying the environmental or other conditions set out in advance in the technical specifications is treated equally. The WTO GPA specifically states that technical specifications may contain requirements concerning the conservation of natural resources or the protection of the environment Art X(6). PTAs, including the EUMETA, adopt the same approach and there is a specific exception from the rules for environmental policies. The EU pursues green procurement policies including promoting innovation in low carbon production in a range of sectors, while complying with the GPA and offering national treatment across the EU.

Figure 14 Country of origin of goods and services of firms awarded contracts by Federal level entities in Brazil for which price preferences were provided



Country of origin of goods and services of firms awarded contracts by Federal level entities in Brazil for which price preferences were provided. Source: Sorte Junior 2018.

As noted above there is nothing preventing the adoption and development of strategic procurement in pursuit of environmental policy objectives that is consistent with the principles of transparency, equal/national treatment, etc. Evidence suggests that the main impediment in the use of procurement is a lack of knowledge or expertise and not the existence of international rules on procurement (Aragao.C.C et al. 2020; OECD, 2017).

The case of the use of public procurement to promote innovation gets closer to the promotion of national champions. Here there is a nexus between procurement and the dynamics of the market. Recent reforms in public procurement have sought to move towards a more market-based approach. In the past the emphasis was on formal procedural correctness to ensure the bidding and contract award procedures were fair. Procurement professionals were expert in the paper-work rather than how public procurement interacted with supply and demand. The result was often slow or bureaucratic procedures with the result that efforts were often made to circumvent them. This was for example, the experience in Brazil after the

introduction of the new laws in 1995. The steady growth in the expedited contract award procedure compared to competitive procedures clearly illustrates this. This has also been the experience in many developing economies, and in times of urgency such as in the early stages of the Covid-19 pandemic, developed countries have also taken short-cuts. As in the case of procurement in the pursuit of environmental objectives, the main impediment to the effective use of procurement to promote innovation is not the lack of policy space due to international agreements but probably suitably trained procurement professions.

Notwithstanding the points above some existing measures, such as set-asides and off-sets, in the Mercosur partners are inconsistent with the national treatment provision of the EUMETA. At the central government level there are fairly long transition periods for implementation. Thresholds are also high for a transition and even after the transition much procurement that would be relevant for micro, small and medium sized enterprises will fall below the thresholds and therefore not be covered by the national treatment obligation in Art. 6 of the EUMETA chapter on procurement. At the sub-central level there are as yet no indications of coverage. The criticism of the EUMETA that it would preclude the use of procurement from local supplies in food programmes is something that could be accommodated by an exception in the final schedules. Hereby local production can be supported that is relevant for small farmers (chapter 2). The main benefit of the EUMETA for the Mercosur parties and the EU is in promoting the principles of objective procurement practices in economically significant sectors.

Recommendations related to government procurement:

- establish and maintain adequate **monitoring mechanisms** of the implementation of the procurement chapter.
- encourage the negotiations on **extending coverage** to economically significant procurement at a sub-central level.
- promote **transparency and non-discrimination use of procurement as an instrument of sustainable development**.
- ensure that the final provision provide **sufficient flexibility for the objective use of procurement to promote local social policy initiatives**.

5 Trade in services

5.1 General policy developments

Regional integration within Mercosur seems particularly laboured in trade in services. Negotiations for intra-bloc liberalisation began in 1992, but it was not until December 2005 that the Protocol of Montevideo on Trade in Services entered into force. The Protocol is modelled almost entirely on GATS with a few small adjustments (Stephenson, 2000, p. 233). In this vein, it is hardly facilitatory to the 'free movement of services' between signatories. In particular, The Protocol protects members' regulatory autonomy on the entry and stay of foreigners and is not conducive with the establishment of a common market and the free movement of services providers (Gari, 2009, p. 161). Aside from its structural deficiencies, the Protocol is meant to operate on a ratchet mechanism with frequent rounds of 'Negotiations of Specific Commitments on Services' yielding further liberalisation (Gari, 2009, p. 164). In reality, progress has been slow. Such is the pace of regional integration, that, during the ongoing eighth round of negotiations, Mercosur countries are attempting to incorporate services provisions already negotiated with the EU into the regulations of the bloc (CIE, 2021).

5.2 Impact of the EUMETA

The starting point and comparison therefore for the impact of the EUMETA on services trade are the GATS commitments of the Parties. There is significant variation in the degree of liberalisation of the Mercosur

countries under the GATS and many remain ‘unbound’, meaning uncommitted to national treatment and other provisions under the GATS. Mercosur has yet to implement a comprehensive FTA with an external partner. Therefore, GATS-plus provisions in the EUMETA would offer a first-mover advantage for EU service suppliers over services exporters from other economies. Liberalisation commitments are detailed in the respective Annex of the EUMETA and follow a GATS-like Schedule of Specific Commitments, listing limitations to market access and national treatment in the four GATS modes (cross border supply, consumption abroad, commercial presence/establishment and presence of natural persons). As with GATS, the EUMETA schedule is a positive list meaning anything unlisted is not covered (liberalised). A comprehensive assessment of the potential impact of the agreement requires detailed analysis of many schedules. The focus here, is therefore on the areas of business and financial services. In the tables below, GATS plus provisions are indicated with an asterisk. It is here that the agreement would provide European service suppliers a relative advantage if the agreement is implemented. As can be observed, the commitments made are relatively modest.

5.2.1 Business services

Reflecting the limited integration in Mercosur, members have made different commitments on business services (the breakdown of all the commitments is shown in Tables 34-37 in the annex). Relative to its GATS commitments, Argentina has liberalised a number of sectors for mode 3 (commercial presence), although certain barriers remain. For example, persons seeking to provide professional services must obtain recognition of their professional degree, licensing with the relevant professional association and establish legal and/or special domicile in Argentina. Brazil has made a number of concessions in mode 2 (consumption abroad), compared to GATS. Neither Paraguay nor Uruguay have made extensive commitments under GATS so the commitments listed in the EUMETA will give European providers additional clarity going forward.

5.2.2 Financial services

As with business services, Mercosur’s members have made varied commitments on financial and insurance services (the detailed breakdown is shown in Tables 38-41 in the annex). Once again, Argentina has liberalised a number of sectors for services delivered by foreign commercial presence. Although, the outsourcing of financial services still requires prior authorisation from the competent authorities and will be subject to the limitations laid down in the existing legislation for the entities controlled by the Central Bank of Argentina. This continues to represent an obstacle for European suppliers. Brazil has made few additional commitments on financial services, with limited opportunities for European firms. Beyond market access and national treatment, further impediments to trade also remain. For instance, financial services suppliers must still be organised as a ‘sociedade anônima’ (publicly-held company), unless otherwise specified. Paraguay’s market for lending services and deposit banking services remains relatively open for foreign service suppliers. However, the repatriation of earnings for foreign suppliers with a commercial presence in Paraguay still requires the authorisation of the Bank Superintendent's Office. Similar to Paraguay, Uruguay’s markets for banking services are relatively open for all foreign services suppliers. The EUMETA does provide European providers with further assurances, especially with regard to national treatment.

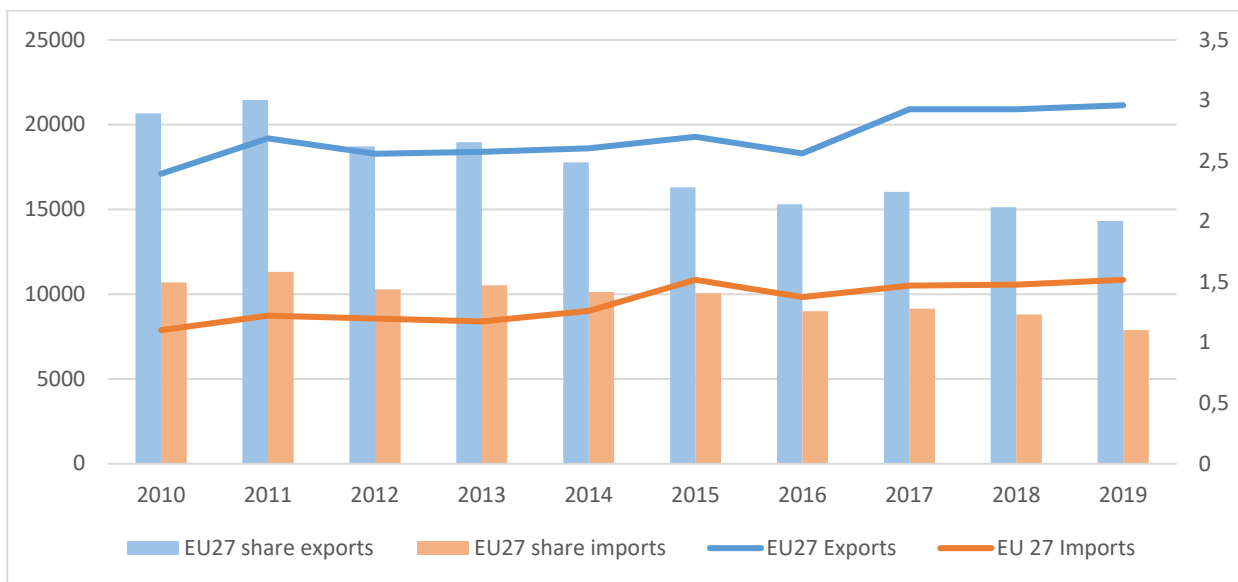
5.3 EU-Mercosur Services Trade Patterns

Regardless of limited regional integration and economic crises within Mercosur, EU services trade with the bloc continued to increase between 2015 to 2019. Indeed, services trade growth was significantly stronger than trade in goods. Over the four years in question, EU27 services exports to Mercosur rose by nearly ten percent, compared with a small decrease in goods exports. Meanwhile, EU27 services imports from Mercosur remained steady as goods imports shrank by four percent. The EU27 continued to run a

substantial services trade surplus with Mercosur. In fact, this surplus expanded by more than twenty percent from 2015 to 2019.

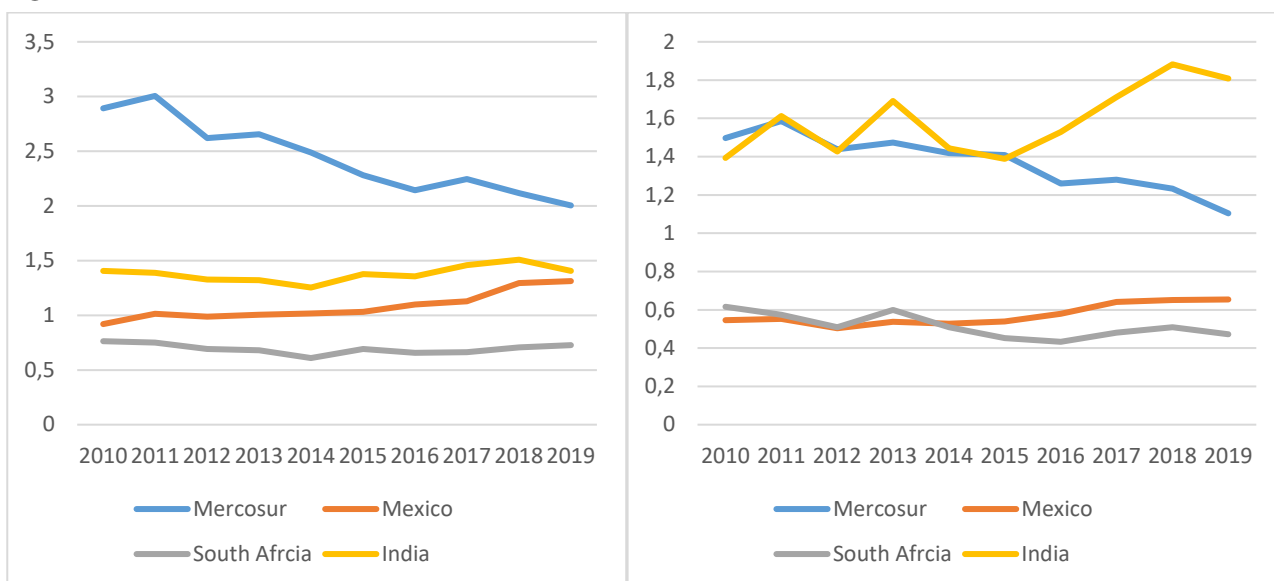
With that said, Mercosur services trade has become proportionally less important to the EU over the last decade. Services exports to Mercosur accounted for two percent of the EU27’s extra-bloc total in 2019, down from more than three percent in 2011. Similarly, services imports from Mercosur represented just one percent of the EU27’s extra-bloc total in 2019, a notable decrease from a decade earlier. This proportional decline is only more apparent in comparison with the reference countries identified by the original SIA in 2015. As a fraction of the EU27’s extra-bloc total, services trade with India, Mexico and South Africa has remained constant or even increased. By contrast, the EU remains an important trading partner for Mercosur countries. In 2019, the EU27 consumed twenty-four percent of Mercosur services exports and produced twenty-six percent of Mercosur services imports.

Figure 15 EU27 services trade with Mercosur and its share in total EU27 exports and imports



Source: Eurostat. Note: Trade values in EUR million measured on left axis. Shares are measured in % on right axis.

Figure 16 EU27 service trade shares with selected countries



Note: export (left) and imports (right). Source: Eurostat

Table 11 Composition of EU exports to Mercosur by service type

Service type	Share in EU27 exports to Mercosur (%)		Share in EU27 exports to Extra-EU27 destinations (%)	
	2015	2019	2015	2019
Transport	28.0	32.0	18.6	17.5
Other Business Services	23.0	19.0	24.9	24.6
Travel	21.8	23.4	16.0	15.5
Telecommunications, computer, and information services	10.3	8.3	14.4	16.6
Charges for the use of intellectual property n.i.e.	7.3	8.4	7.0	8.1
Financial Services	3.6	2.5	8.7	7.3
Insurance and pension services	0.7	1.1	2.2	1.9
Maintenance and repair services n.i.e.	1.8	1.6	1.5	1.9
Construction	1.1	0.9	1.6	1.3
Manufacturing services on physical inputs owned by others	0.5	0.3	2.7	2.5
Personal, cultural, recreational services	0.9	2.5	1.1	1.5
Government goods and services n.i.e.	0.2	0.2	0.7	0.7
Services not allocated	0.7	-0.2	0.5	0.7

Source: Eurostat.

Table 12 Composition of EU imports from Mercosur by service type

Service type	Share in EU27 imports from Mercosur (%)		Share in EU27 imports from Extra-EU27 destinations (%)	
	2015	2019	2015	2019
Transport	21.0	22.5	16.7	14.7
Other Business Services	45.0	40.2	30.5	36.9
Travel	19.1	18.1	12.3	11.9
Telecommunications, computer, and information services	5.0	5.9	10.9	7.7
Charges for the use of intellectual property n.i.e.	2.4	1.5	14.6	14.4
Financial Services	2.2	1.7	7.3	6.3
Insurance and pension services	1.1	1.9	2.1	2.0
Maintenance and repair services n.i.e.	1.5	2.0	1.6	1.7
Construction	0.4	0.8	0.8	0.7
Manufacturing services on physical inputs owned by others	0.8	1.0	1.4	1.9
Personal, cultural, recreational services	0.9	3.8	1.4	1.5
Government goods and services n.i.e.	0.4	0.6	0.5	0.4
Services not allocated	0.1	0.2	0.0	0.1

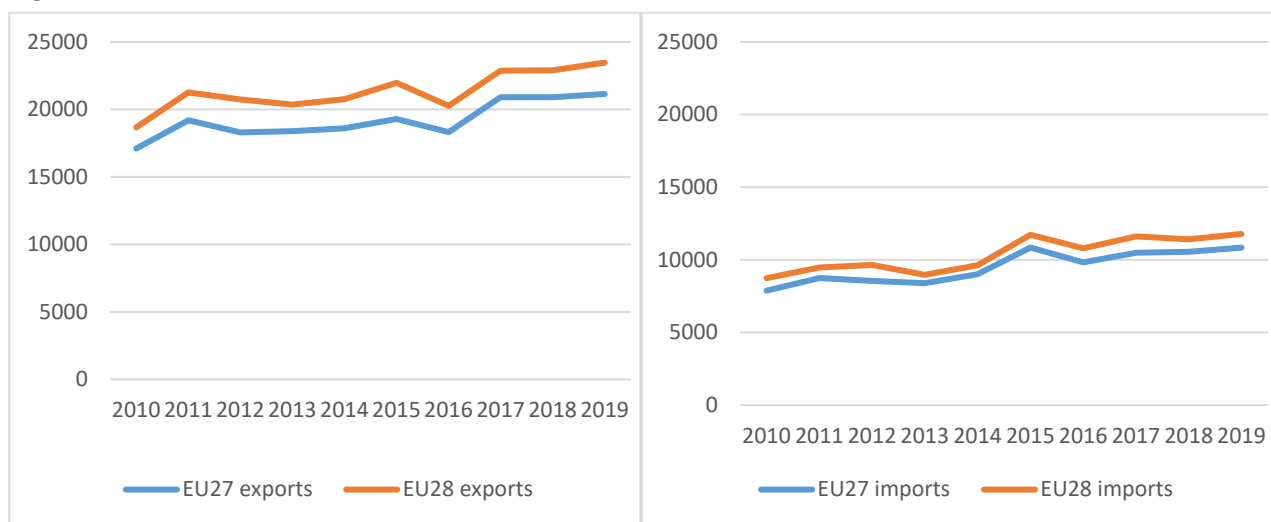
Source: Eurostat.

The relative decline of EU-Mercosur services trade is better understood at the sectoral level. Table 11 and Table 12 provide a breakdown of EU-Mercosur services exports and imports in 2015 and 2019. As in the original SIA, the importance of individual service types for EU services trade in general is included for reference. With regard to EU services exports to Mercosur, Transport (passengers, freight and courier services) and Travel (business and personal) were proportionally higher in 2019 compared with 2015. By contrast, telecommunications, computer and information services and other business services (R&D, professional and management consulting, trade related services etc.) became less important over time. Both of these trends are juxtaposed with the overall picture of EU27 exports to extra-bloc destinations. Services imports from Mercosur seem proportionally more consistent with the notable exception of other business services which fell by five percent relative to all services imports. Once again, this seems contradictory to the global picture, as other business services accounted for a greater share of EU27 services imports from Extra-EU27 countries in 2019.

5.4 Impact of Brexit

Aside from broad temporal trends, Brexit could have had a considerable impact on EU-Mercosur services trade since the initial SIA in 2015. Over the last decade, the UK has typically accounted for around ten percent of the EU’s services exports to Mercosur. Similarly, the UK consumed around eight percent of the EU’s services imports from Mercosur during the same period. Naturally then, the UK’s withdrawal from the EU has resulted in a significant reduction in EU-Mercosur services trade. Brexit has also prompted a small, proportional decline in the EU’s services trade surplus with Mercosur. In 2019, the EU27’s services trade surplus with Mercosur amounted to around thirty-two percent of total services trade, compared with thirty-three percent for the EU28.

Figure 17 EU27 services trade with Mercosur



Source: Eurostat.

Table 13 and Table 14 provide a sectoral breakdown on the impact of Brexit on the EU’s services trade with Mercosur. The UK generally exhibits a comparative advantage in financial and professional services. Consequently, it accounted for a large proportion of EU exports to Mercosur in financial services and insurance and pensions services in 2019. Elsewhere, it also provided the majority of the EU’s government goods and services exports to Mercosur (embassies and consulates, military units and agencies etc.). Other types of services exports are not as affected by Brexit. In particular, the UK accounted for less than three percent of the EU’s substantial transport exports to Mercosur in 2019.

Brexit will have a proportionally smaller impact on the EU’s services imports from Mercosur. In gross terms, the UK consumes a large quantity of transport services from Mercosur. British demand also accounts for

nearly forty percent of the EU's government goods and services imports from Mercosur. However, the UK consumes less than ten percent of EU imports from Mercosur for all other service types.

Looking ahead, a UK-Mercosur FTA could potentially undermine EU services providers in the unlikely event of it being negotiated. Mercosur's economies seem compatible with that of the UK (Nogues, 2018) and its member have a comparative advantaged in industries where the UK has high import demand, such as beef and other agro-industrial goods. Conversely, greater access to Mercosur's markets would offer British companies export opportunities in life sciences and healthcare, financial services, technology and defense (Stott, 2021).

With that said, the ratification of a UK-Mercosur FTA is highly improbable in the near future. The British government is clearly prioritising accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and has limited resources for additional negotiations (Stott, 2021). Equally, whilst Brazilian officials have expressed their enthusiasm for a deal, Argentina is seemingly reluctant to negotiate further FTAs (Alden & Dunst, 2021). An expedited agreement with the UK is particularly unlikely as the historical dispute over the Falkland/Malvinas Islands remains a diplomatic irritant (Geist, 2021). The broader threat of an 'EU plus' style deal between Mercosur and the UK is also limited. British businesses have established a proportionally small presence in South America. They are generally reluctant to invest in the long-term relationships valued by Mercosur's importers and prefer more familiar markets in the US, Europe or Asia (Stott, 2021). Therefore, the trade diverting effects of a UK-Mercosur FTA would be slight even if negotiated, particularly if the EU-Mercosur deal is implemented first.

Table 13 EU exports Mercosur by service type

Service type	EU28 exports to Mercosur 2019 (EUR millions)	UK exports to Mercosur 2019 (EUR millions)	UK exports to Mercosur as a % of EU28
Transport	6933.4	162.9	2.3
Other Business Services	4525.4	580.6	12.8
Travel	5564.7	610.6	11.0
Telecommunications, computer, and information services	1977.5	195.3	9.9
Charges for the use of intellectual property n.i.e.	1907.5	124.2	6.5
Financial Services	653.0	132.3	20.3
Insurance and pension services	427.1	199.3	46.7
Maintenance and repair services n.i.e.	360.9	29.6	8.2
Construction	112.1	6.9	6.2
Manufacturing services on physical inputs owned by others	105.5	9.6	9.1
Personal, cultural, recreational services	600.4	72.9	12.1
Government goods and services n.i.e.	182.5	137.8	75.5

Source: Eurostat & Author's estimates.

Another prospective threat to EU services providers, is the relative deregulation of the British economy. Given the UK's existing comparative advantage, this seems especially relevant to the provision of financial services. The UK is no longer subject to the EU's financial rules. Furthermore, it seems unlikely that the EU will grant British firms automatic market access on the principle of 'equivalence' in all areas of finance post-Brexit (Mayes, 2021). In theory, this would give the UK government greater license to cut regulatory and legislative burdens and enhance the City of London's relative advantage as a hub for derivatives, foreign-

exchange trading, asset management, venture capital and banking. In reality, wholesale deregulation is improbable. British business was influential in designing the EU's existing regulations, giving them little incentive to deviate (Thomas, 2021). Moreover, sweeping changes could incur reputational costs for a City that prides itself on good governance (Jones, 2020). With this in mind, Brexit poses little threat to EU Mercosur services trade.

Table 14 EU exports Mercosur by service type

Service type	EU28 imports from Mercosur 2019 (EUR millions)	UK imports from Mercosur 2019 (EUR millions)	UK imports from Mercosur as a % of EU28
Transport	2812.1	349.5	12.4
Other Business Services	4736.2	283.0	6.0
Travel	2148.1	185.7	8.6
Telecommunications, computer, and information services	686.5	39.3	5.7
Charges for the use of intellectual property n.i.e.	178.1	14.8	8.3
Financial Services	196.1	12.5	6.4
Insurance and pension services	156.2	14.9	9.6
Maintenance and repair services n.i.e.	147.7	1.0	0.7
Construction	85.2	0.0	0.0
Manufacturing services on physical inputs owned by others	104.9	0.0	0.0
Personal, cultural, recreational services	414.3	2.2	0.5
Government goods and services n.i.e.	123.0	48.2	39.2

Source: Eurostat & Author's estimates.

5.5 Impact of COVID-19

As with all of global commerce, WTO statistics indicate that the pandemic has had an adverse affect on services trade flows in Mercosur economies. This can be observed below in Table 15.

In the absence of recent data, quantifying the pandemic's impact on EU-Mercosur services trade is challenging. Fortunately, provisional statistics are available for services trade flows between the EU27 and Brazil in 2020. In 2019, Brazil accounted for more than seventy percent of EU-Mercosur services trade. Therefore, these figures provide a solid footing for estimating COVID-19's influence on EU-Mercosur services trade flows.

EU services exports to Brazil fell by twenty-nine percent in 2020. For comparison, EU services exports to extra-EU27 countries shrank by eighteen percent in the same year. Similarly, EU services imports from Brazil declined by more than thirty-two percent in 2020. Meanwhile, EU services imports from extra-EU27 countries fell by eighteen percent. In this vein, it seems likely that EU services trade flows with Mercosur have been disproportionately affected by the pandemic in comparison with other extra-EU27 countries. If statistics for Brazil are an accurate proxy for Argentina, Uruguay and Paraguay, then Mercosur accounted for just one point three percent of EU services trade flows in 2020, down from one point six percent in 2019.

Table 15 COVID-19 and Mercosur services trade

Country	Total Services Trade 2019 (EUR millions)	Total Services Trade 2020 (EUR millions)	% change
Argentina	29364.6	18568.7	-36.8
Brazil	91243.1	68033.3	-25.4
Uruguay	2108.3	1534.8	-27.2
Paraguay	8689.3	6165.3	-29.0
Total	131405.3	94302.1	-28.2

Source: WTO.

The pandemic's disproportionately adverse effects on services trade between the EU and Mercosur are better understood at the sectoral level. Table 16 and Table 17 provide a breakdown of EU services trade with Brazil by sector in 2019 and 2020. Travel and transport services typically represent the majority of EU-Mercosur services trade. By comparison, these sectors accounted for less than thirty percent of the EU's services trade with extra-EU27 countries in 2019. The COVID-19 pandemic seems to have prompted a marked reduction in travel and transport services trade relative to other sectors.

Table 16 COVID-19 and EU27 services exports to Brazil

Service type	EU27 exports to Brazil 2019 (EUR millions)	EU27 exports to Brazil 2020 (EUR millions)	% change
Transport	4900.8	3883.9	-20.7
Other Business Services	3034.4	2735.8	-9.8
Travel	3388.0	856.2	-74.7
Telecommunications, computer, and information services	1148.6	1043.9	-9.1
Charges for the use of intellectual property n.i.e.	1113.4	816.5	-26.7
Financial Services	363.2	364.4	0.3
Insurance and pension services	185.3	244.4	31.9
Maintenance and repair services n.i.e.	231.2	90.3	-60.9
Construction	137.9	108.5	-21.3
Manufacturing services on physical inputs owned by others	53.6	73.1	36.4
Personal, cultural, recreational services	374.7	335.1	-10.6
Government goods and services n.i.e.	29.7	21.3	-28.3
Services not allocated	26.5	127.9	382.6

Source: Eurostat.

A multitude of factors will determine the extent and speed of a post-pandemic recovery in travel and transport services trade. It seems likely that both the EU and Mercosur will have completed the majority of their respective vaccination rollouts by the end of 2021. Whilst booster programs may be necessary, widespread coverage should enable the removal of many civil restrictions, including those on international travel. However, a 'rebound' in transport and travel is not entirely contingent on the lifting of restrictions. Passenger transport, for both business and leisure, is often optional and depends on individuals' decision making processes. Meanwhile, the drivers of freight activity are contingent on supply and demand in the wider economy. As a consequence, any prospective 'rebound' in travel and transport trade will depend on government policy, economic recovery, perceptions of risk, cost, convenience and the appeal of more local alternatives. After the SARS crisis in 2003, it took more than six months for air travel demand to return to normal levels in affected countries (IEA, 2020). Given the severity and scope of the current pandemic, it seems likely that the associated dip in travel and transport trade will be much more drawn out.

Table 17 COVID-19 and EU services imports Brazil

Service type	EU27 imports from Brazil 2019 (EUR millions)	EU27 imports from Brazil 2020 (EUR millions)	% change
Transport	1754.4	1498.6	-14.6
Other Business Services	3444.8	2035.3	-40.9
Travel	1149.1	510.4	-55.6
Telecommunications, computer, and information services	404.3	317.7	-21.4
Charges for the use of intellectual property n.i.e.	129.4	129.0	-0.3
Financial Services	131.0	110.3	-15.8
Insurance and pension services	173.7	268.8	54.7
Maintenance and repair services n.i.e.	200.6	125.4	-37.5
Construction	65.5	59.9	-8.5
Manufacturing services on physical inputs owned by others	103.5	90.0	-13.0
Personal, cultural, recreational services	382.8	186.8	-51.2
Government goods and services n.i.e.	35.6	28.0	-21.3
Services not allocated	4.0	13.5	237.5

Source: Eurostat.

Moreover, COVID-19 will inevitably have yielded structural shifts in our society, such that 'normal' levels of travel and transport trade may be proportionally less significant post-pandemic. With regards to freight, the pandemic has exposed the vulnerabilities of many businesses that are highly dependent on international trade and global supply chains. Looking ahead, firms may be more inclined to reduce these vulnerabilities and their environmental footprint by 'reshoring' operations (European Parliament, 2021). Equally, consumers in the EU and South America are placing a greater emphasis on 'buying local' in their respective purchasing habits (Ceurvels, 2020). In terms of travel and passenger transport, the pandemic has prompted a temporary rise in domestic tourism. This trend could become more permanent as governments and consumers attempt to reconcile with the environmental costs of international travel. Similarly, as technologies mature, companies may decide that replacing business trips with video conferencing is more responsible in the context of a climate crisis. In this vein, travel and transport could account for a smaller proportion of EU-Mercosur services trade going forward.

5.6 Prospects for digital trade

Despite the pandemic's effects on transport and travel, structural shifts also present certain opportunities for increased services trade between the EU and Mercosur. As a consequence of COVID19, consumers have moved dramatically towards online channels with companies and *industries* responding in turn. Like the EU, Mercosur plays host to a burgeoning digital sector. Prior to the pandemic, growth in online services outstripped the development of national economies, such that the 'digital' accounted for a greater proportion of Mercosur's GDP (Kati, 2018). COVID19 has only accelerated this trend. For example, the popular, South American online marketplace 'Mercado Libre', sold twice as many items per day in the second quarter of 2020 compared with the same period the previous year (UNCTAD, 2021). As well as accounting for a greater share of growth in its own right, digital services are fostering increased productivity in other sectors, such as education and recruitment Brazil (OECD, 2020).

Digitalisation is also propelling cross-border trade within Mercosur. The provision of online services is growing many times faster than aggregate trade flows (Kati, 2018). This is particularly impressive as digital trade has been somewhat impeded by excessive regulations and disparate national policies (ECIPE, 2021). A 2018 report by Inter-American Development Bank highlighted the pervasiveness of data and privacy restriction, excessive taxation, intermediary liability for internet companies and outdated protections on

intellectual property (Kati, 2018). More recently, steps have been taken towards greater cooperation. The bloc reached an expansive 'Agreement on Electronic Commerce' in May 2021 (CIE, 2021). The agreement formally prohibits the imposition of customs duties on electronic transmissions between the parties. It also establishes common rules on the protection of personal information in e-commerce transactions and the prevention of non-solicited commercial communications. Greater integration will only enhance Mercosur's digital markets and productive capacity going forward.

Table 18 Digital Trade Restrictiveness of selected countries

Country	Digital Trade Restrictiveness Index	Fiscal Restrictions & Market Access (Tariffs and Trade Defense, Taxation and Subsidies and Public Procurement)	Establishment Restrictions (Foreign Investment Restrictions, Intellectual Property Rights, Competition Policy and Business Mobility)	Restrictions on Data (Data Policies, Intermediate Liability and Content Access)	Trading Restrictions (Quantitative Trade Restrictions, Standards and Online Sales and Transactions)
Argentina	0.38	0.49	0.28	0.17	0.57
Brazil	0.40	0.62	0.33	0.15	0.49
EU	0.21	0.23	0.21	0.24	0.16
India	0.44	0.63	0.40	0.31	0.40
Mexico	0.27	0.24	0.30	0.26	0.27
Paraguay	0.21	0.32	0.24	0.16	0.11
South Africa	0.27	0.43	0.34	0.20	0.11

Note: Data for Uruguay unavailable. Source: ECIPE.

Regional measures are yet to extend to most extra-bloc countries. As is evident in Table 18, Brazil and Argentina score relatively poorly on ECIPE's Digital Trade Restrictiveness Index. Their respective policies seem particularly intrusive in terms of fiscal restrictions and market access (as indicated by their limited GATS commitments) and establishment restrictions (both Brazil and Argentina implement relatively outdated IP protections). Despite these barriers, there are prospective opportunities for the EU's digital services exporters looking forward. Brazil's recent data protection legislation is modelled on the EU's General Data Protection Regulation (GDPR, see Rees, 2021). Meanwhile, the EU-Mercosur deal outlines extensive provisions on e-commerce and intellectual property as well as enhanced market access. The liberalisation of Mode 1 (cross-border) commitments in digitally-mobile services sectors is quite limited, but there are some exceptions. For instance, Argentina and Paraguay have liberalised the provision of cross-border legal services for EU exporters. Once more then, the implementation of the EU-Mercosur deal would offer European services firms opportunities that competitors simply do not have.

6 Measures to protect the agricultural sector and food security

Protection against potential market risks due to liberalising trade is a central concern in all trade negotiations. Numerous existing trade rules, both at the WTO level and within existing FTAs, explicitly allow for exceptions from the envisaged overall market opening (Rudloff 2015).

A case for such exceptions is often made for agriculture as a sensitive sector or for reasons of food security. Food security is a concern for all Mercosur countries since they have at least a 20 % share of the population suffering from moderate or severe hunger with a significant increase in recent years (see Table 23 in chapter 10). In Argentina the share is nearly 40 %. Food security has therefore always been an important priority in the Mercosur region. A large number of domestic measures (chapter 10) permitted under the WTO are also used to pay for food aid and maintain food stocks (Annex Figure 34).

Trade agreements maintain elements of protection in different ways. They can take the form of *import measures* such as exclusion of products from liberalisation, longer phasing-in periods, or setting TRQs instead of preferential tariffs. These are all covered by the EUMETA with each side using them differently

(chapter 3). Alternatively, protection can take the form of *export measures*, such as restrictions on exports either quantitatively like export bans or by export taxes.

In line with most FTAs (with the exception of the interim EU-Ghana EPA) there is no mention of food security in the EUMETA as an explicit target. But risks to food security and other critical supplies are often mentioned as a reason to allow safeguards. Another food related issue not addressed in any FTAs is obesity. This challenge, however, is increasingly relevant on both sides of the Atlantic as around 20 % of the population in the EU and Mercosur is seen as overweight with an increasing adverse trend.

Despite the absence of agriculture-specific rules, the general protective instruments could be used anyhow to respond to disruptions in agricultural markets such as shortages of supply or import surges.

On the import side the following rules apply:

Overall exclusion from the bilateral market access. EU trade agreements with developing countries such as the EPAs, often exclude 20 % of tariff lines from liberalisation, mainly in agriculture. By comparison the EUMETA schedule of Mercosur countries exclude only 8 % of all tariff lines and the EU 18 % (Table 32 in the appendix). However, the share of excluded tariff lines does not necessarily reflect the actual degree of liberalisation as the status of market access recently been already higher in the EU than on the Mercosur side (see chapter 3).

General WTO safeguards are kept under EUMETA. They are addressed by a standard reference in the chapter on 'trade defence and global safeguards' (section III of the chapter on trade defence and global safeguards EUMETA). This enables the use of such multilateral safeguards in the form of tariffs in accordance with WTO-rules. The EUMETA nevertheless recommends to consider bilateral effects of any applied WTO safeguards on the partner (section III, Art. 5 EUMETA).

Further **bilateral safeguards** between the EU and the Mercosur are provided for in the chapter on 'bilateral safeguard measures'. These enable the application of safeguards if, after the entry into force of the agreement, preferentially treated products are directly linked to serious injury of a domestic industry. The protection will be implemented by suspending the preferential treatment of the product concerned and may also cover TRQs (section 2 of the chapter on bilateral safeguard measures, Art. 2 and 3 EUMETA). This provides a means of explicitly addressing concerns of import surges as a result of the entry into force of the EUMETA (chapter 3).

Application of bilateral safeguards is conditional on an investigation of the severity and extent of injury which should be based on information from the previous three years (section 4 of the chapter on bilateral safeguard measures, Art. 9-13 EUMETA). Furthermore, the application should be limited to what is necessary (section 3 of the chapter on bilateral safeguard measures, Art. 5-6 EUMETA). and not used beyond the transitional period of 12 years after the entry into force of the agreement (section 5 of the chapter on bilateral safeguard measures, Art. 14 EUMETA).

There are some specifics due to the fact that the EUMETA is an inter-regional agreement. These are similar to specifics of the EU-EPA safeguards provisions. Both Mercosur and the EU can implement a safeguard as a regional/single entity or as one country (section 2 of the chapter on bilateral safeguard measures, Art. 4.1 EUMETA). The one country option requires sound rules of origin to differentiate markets within a common market (section 2 of the chapter on bilateral safeguard measures, Art. 4.2 EUMETA). One notable exception exists for Paraguay as the smallest trade partner in the region. Definitive safeguards are only permitted against this country in accordance with stricter criteria (section 2 of the chapter on bilateral safeguard measures, Art. 4.3 EUMETA) and provisional safeguards (with looser rules) shall not be taken against Paraguay at all (section 5 of the chapter on bilateral safeguard measures, Art. 14.2 EUMETA).

EUMETA renounces to apply the so-called WTO agricultural specific safeguard (SSGs). This is a special safeguard for agricultural products and governed by the WTO Agreement on Agriculture (AoA). It allows for easier and automatic protection of agricultural markets. Automatic tariff increases are triggered if a predefined low-price level is reached (AoA Art. 5). Eligible products had to be notified to the WTO in 1994 when the AoA had been concluded.

The EUMETA excludes the use of SSGs to bilateral trade (chapter on 'trade defence and global safeguards', section I EUMETA). This, however, may only have a limited effect for the following reasons:

- *The EU* has notified 539 tariff lines to WTO as eligible for SSG, covering the following products that are of relevance for trade with Mercosur: 110 on dairy products and 28 on sugar and confectionery products (WTO, 2002a). The EU has hardly used this option in the recent past. However, in 2019, the EU activated its SSGs for 15 fruits that potentially can be Mercosur countries' exports (WTO, 2002a).
- On *the Mercosur side* notifications under the SSGs were two from Uruguay, both in cereals (WTO, 2002a) which is not of interest for EU exporters.

Rules on export taxes to address protection are covered by the agreement, too:

Increases in export taxes are possible and even new temporary export taxes can be applied (Annex 2, Section B, Art. 1 EUMETA). Although justifying exceptional circumstances is frequently associated with fiscal imbalances rather than food security, there is no description of a specific situation that may trigger an export duty. In addition, the provision does not define a time period for its application. Such loose rules on export restrictions may be counterproductive if applied to essential products such as food. A rise in export duties could lead to global shortages if one country is a major supplier of the products. Such effects have long been criticised at the WTO level, as they may impose a burden on other net food-importing countries.

Other relevant instruments, such as quantitative export restrictions bans or quotas have been more often used in the past. These generally are prohibited by WTO, but explicitly allowed for critical products and food in case of a shortage in the exporting country (GATT XI Art. 2 a, AoA Art. 12). Again, no further justification and time is defined for their use. They were extensively used (in the Mercosur region mainly by Argentina) during the last food price crisis in 2008 on products such as beef, grains, cereals, and rice. Brazil applied them on rice (IFPRI Export Restriction Tracker). Despite these measures and the higher risks for third countries compared to price-related taxes, they are not limited by the EUMETA in case of food. A reference is made in Art. 10 of the chapter on 'trade in goods' in EUMETA: While generally prohibiting such restrictions, Art. 10 explicitly allows them (in accordance with GATT Art. XI2a) for food and critical products.

All these import- and export-related protection measures can be counterproductive at least in the long-term as they distort producer and consumer prices. For instance, tariffs increase prices, reduce international competition and negatively affect consumption, in particular in the case of poor consumers. Export taxes and quantitative export restrictions on the contrary lead to lower domestic prices that are beneficial for the consumer but decrease the producers' incentives to produce. Additionally, they raise world market prices that result in higher prices for importing countries. They may provide only short-term protection for weak, new ('infant') or non-competitive sectors against more competitive imports (Rudloff, 2005). This argument does not really apply in the case of Mercosur, as the EU does not export a sufficient volume of essential basic food commodities. Therefore, Mercosur has no real need to protect these sectors from EU exports.

On the other hand, European protection against Mercosur imports could become an issue. Any application of a safeguard needs to be justified after carefully investigating the possible injury to the respective sector. The calculation of the injury (three-year period) might be difficult since Mercosur already is a major trade partner for the EU (chapter 3.3.1).

There may be other, more indirect effects on food security due to increased liberalisation and new export incentives. These may shift land use to export-related production in Mercosur, which can lead to a loss in regional food production for small farmers. But a general trade restriction would not be an appropriate measure. More tailor-made direct food programmes and support of small farmers are better options (see also chapter 10).

Recommendations related to safeguards and protection of agricultural markets:

- **strengthen rules on all measures that limit exports** of essential products like food besides export taxes addressed by EUMETA. The remaining exceptions for increasing, or even imposing new taxes, should be better clarified. Further bilaterally agreed options to limit other, more critical (quantitative) export restrictions not ruled by EUMETA so far should be considered. In parallel, a WTO strategy to further limiting the general use of export restrictions should be explored;
- **support existing national domestic food security programmes** since they appear to be more tailor-made and appropriate than using trade defense measures that are counterproductive in the long-term such as protective tariffs and export taxes;
- **address obesity as an issue** relevant for both sides by joint EU-Mercosur-activities in the areas of research, education and vocational training.

7 Trade and sustainable development chapter, enforceability elements and animal welfare

The EUMETA contains a chapter on trade and sustainable development (TSD chapter) in line with other recent EU FTAs. In view of the treaty practice of Mercosur and its member states, this represents a remarkable innovation. The TSD chapter addresses explicitly labour and environmental aspects. While calling for improvement and effective enforcement (Art. 2), the chapter features a right to regulate and links to multilateral **labour standards** and agreements (Art. 4) as well as to multilateral environmental agreements (MEAs) (Art. 5). Art. 10.2 reflects the **precautionary principle**. In line with recent EU trade agreements, the TSD chapter refers to the **responsible management of the supply chains** in Art. 11 (see also Table 21). It mainly refers to existing conducts and initiatives.

The provision should be read in connection with Parliament's recent resolution recommending to the Commission to initiate a legislative proposal on corporate due diligence and corporate accountability (EP 2021), as well as an EU legal framework to halt and reverse EU-driven global deforestation (EP 2020). The provision in the EUMETA could be linked to these EU legislative procedures that are likely to address local hindering factors for implementing the newly mandatory requirement for respective standards. In any event, it will be important to address local hindering factors to avoid unintended effects for local producers, who will be confronted with the need to apply standards mandatorily. Especially small farmers may face discrimination either by the potential increase in costs to fulfil required mandatory standards or by missing experiences with respective – voluntary – requirements of the past (Rudloff and Wieck 2020).

As regards **environmental protection**, the TSD addresses several specific issues, including 'sustainable management of forests' (Art. 8, see chapter 2). The provision calls for the promotion of trade of sustainable forest products, as well as for measures to prevent illegal logging. These commitments are in line with the EU's legal framework of the FLEGT action plan and the EU's commitments under the International Tropical Timber Agreement (ITTA). However, they are of little help if it comes to the most challenging issue, which is deforestation caused by land use and land use changes. Brazil had undertaken ambitious commitments in this regard in its 2015 NDC, but removed them in an updated version submitted on 9 December 2020. Brazil should take considerable steps to return to its earlier commitments in regard to deforestation.

On enforcement, the chapter establishes institutional structures, envisages civil society participation and – along the lines of other EU trade agreements – provides for a specific procedure of dispute resolution, which is distinct from the agreement’s general procedures particularly in lacking trade sanctions. This specific form of dispute settlement is said to reflect a particularly close cooperation as key element of the TSD chapter. At this point EU treaty practice considerably deviates from trade agreements of some other parties and most notably those of the US, which do not exempt chapters and rules on sustainable development or its elements from the applicability of the general dispute settlement mechanisms. The lack of a more effective enforcement mechanism has been criticised by several EU MS governments and parliaments (France, Austria, the Netherlands, Ireland, Bulgaria, Lithuania, Luxembourg, Romania, and Slovakia) and civil society organisations (see chapter 11, Stoll et al. 2020). Building on the Franco-Dutch non-paper on trade, social economic effects and sustainable development (2020), the contracting parties could envisage to add obligations and commitments of the Paris Agreement to the list of essential elements of the EUMEEA. Defining such obligations as ‘essential elements of the agreement’ could help to furnish the TSD chapter with more enforcement power. But given that both the Commission and the Mercosur countries do not intend to reopen negotiations on agreed text, parties could consider alternative ways to enshrine additional TSD commitments into a legally binding, enforceable document: Building on the CETA case, one possibility could be to adopt a joint statement to flank the EUMEEA on existing and additional TSD commitments. Both parties would agree to base such an interpretative instrument on Article 31 of the Vienna Convention on the Law of Treaties. The interpretative instrument would thus acquire legal force and would have to be examined by the parties, the arbitrators and the panel of experts under the dispute settlement procedures of EUMEEA.²³ The disadvantage of such a joint interpretative instrument is that it is unlikely to go beyond the obligations of the TSD chapter in terms of its substantive commitments. Altering the substance of agreed TSD commitments would be possible through the negotiation of an additional protocol to the agreement. Such a protocol would be an integral part of the EUMEEA without requiring renegotiation of the already agreed text. If parties intend to reduce the risk of non-compliance, they could tie the conclusion and implementation of the EUMEEA to a legally binding and enforceable roadmap process without changing the agreement’s text or adopting a protocol. Such a roadmap would set out quantifiable and therefore measurable criteria and milestones as well as monitoring, cooperation and related incentive measures (chapter 9).

In addition, **local stakeholder integration** in view of the TSD chapter should become part of the agreement in relation to for the composition and working arrangements of the domestic advisory groups (DAGs). Given the socio-political circumstances of some Mercosur countries, the EUMEEA should ensure the representation of indigenous peoples in the DAGs (see below).

Animal welfare is a highly relevant concern for the EU and subject to most of its recent trade agreements. The issue is closely linked to sustainable development. It is not addressed in the TSD chapter itself, but in a separated ‘dialogue’ chapter of the EUMETA (Art. 3). This lacks the context that other EU trade agreements provide by situating the animal welfare issue within the SPS chapters (e.g. EU-Chile AA 2002; EU-Columbia/Peru FTA; EU-South Korea FTA) or – as a new trend in younger agreements – within the context of ‘food systems’ as envisaged in the EU-New Zealand FTA. Acknowledging that animals are sentient beings would reflect Art. 13 TFEU. However, Art. 3 of the EUMETA’s chapter on dialogue is less specific and less explicit regarding further improvements. There have been some critical discussions about this point in the SIA process. The current text gives rise to questions as to whether Art. 3 fully responds to the EU’s strong stand on the issue of animal welfare as such and its potential trade implications. Already to date, EU animal welfare standards are quite ambitious. And given the ongoing fitness check of the F2F strategy (as an

²³ The binding nature of such an interpretative instrument has been confirmed by the European Court of Justice in its Opinion 1/17, col. 41-45; 155-156. Hence, the Court held that it’s opinion is also based on Article 30.1 of the CETA, which provides that ‘the protocols, annexes, declarations, joint declarations, understandings and footnotes to this Agreement constitute integral parts thereof’.

element of the Green Deal) and the recent European Citizens' Initiative 'End the Cage Age', they are likely to be defined even more strictly in the future. Trade implications are obvious, since exporters are often required to conform with EU legislation by way of a certificate on equivalence to be presented on importation (calves, pigs, slaughtering, transports). The legislation on egg-laying hens is a notable exception. In the EUMETA, this is addressed by the preferential scheme on eggs, as the EU attached a condition to its liberalisation offer in view of compliance with relevant EU standards. Linking liberalisation to the compliance with EU animal welfare standards can be considered as a general incentive for increased animal welfare in the farming sectors of Mercosur.

Equivalence Agreements could be another incentive for fulfilling standards on sustainability in agricultural production. These agreements (a) require a high quality in governance in relation to quality aspects on agricultural production in general, (b) facilitate trade, and (c) offer an economically interesting marketing option for Mercosur countries. So far the EU has concluded only one Equivalence Agreement with Argentina on organic products. It could be considered for other Mercosur countries, too.

8 Micro, small and medium enterprises

The EUMETA contains a dedicated chapter devoted to small and medium enterprises which is comparable to other EU agreements (see, e.g. Cliteur et al. 2021). The agreement recognizes the importance of SMEs in the overall economic activity of the trade partners and underlines the importance of reduction of disproportionate barriers affecting the SMEs. It requires the contracting parties to establish incentive measures and channels for informing SMEs on the opportunities of the agreement. Moreover, the EUMETA requires the establishment of SME Coordinators to represent the interests of the SMEs in the implementation of the agreement, to participate in the assessment of the implementation of the agreement and to streamline dissemination of information regarding trade opportunities for SMEs both in Mercosur and the EU. In that respect, the agreement is similar to the provisions of EU-Japan FTA, but goes further than e.g. CETA as the latter does not include a dedicated SME chapter.²⁴ Given the small scale of operation of many SMEs, information asymmetry may turn out to be a significant obstacle in effectively 'joining' the EUMETA. Therefore, contact points, websites and other comprehensive information sources are crucial for SMEs international expansion.

SME-related provisions can be found in other parts of the EUMETA. For example, the trade facilitation part requires non-discrimination of SMEs as authorised economic operators. The TBT chapter includes a SME-specific clause that refers to taking into account the special needs of SMEs where adopting technical regulations. The government procurement chapter envisages sharing information with SMEs.²⁵ The intellectual protection chapter calls for cooperation in engaging SMEs as well as recognizes the importance of small scale farmers in protecting biodiversity. Given that family farms are often addressed in national programmes of Mercosur countries (see chapter 9), it is noteworthy that the EUMETA does not define the assistance to these sectors as a specific objective.

The economic literature (e.g., Melitz, 2003, Bernard & Jensen, 2004) suggests that SMEs, and to an even larger extent, micro-enterprises may be disproportionately affected by trade liberalisation due to the nature of the costs of exporting. While ad-valorem trade instruments by definition apply proportionally to the size of firm activity, some of the trade costs may be fixed, which leads to economies of scale in the export. In particular, lengthy and costly administrative procedures and non-tariff barriers (e.g. TBTs and SPS), may constitute a high fixed cost of exporting and, therefore, be prohibitive for smaller firms. This

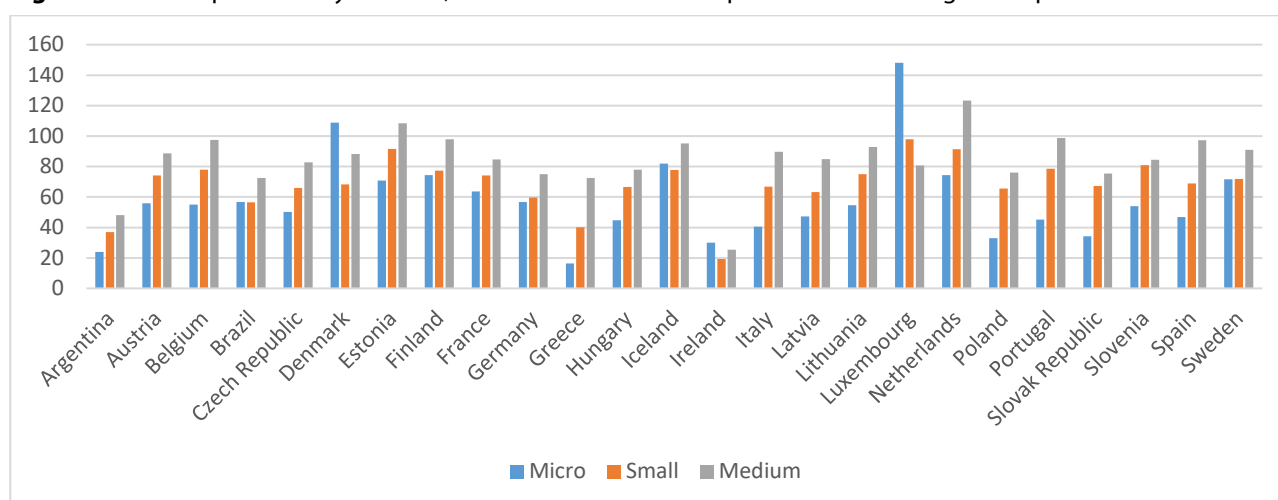
²⁴ Similar provisions have been adopted by the CETA Joint Committee in 2018. https://trade.ec.europa.eu/doclib/docs/2018/september/tradoc_157417.pdf.

²⁵ It has to be noted, that the EUMETA also includes some preferences for SMEs in public procurement in Argentina. In order to use those preferences, the EU companies would have to register in Argentina.

means that while large firms are likely to benefit from a trade agreement at the intensive margins (i.e. they will expand their existing exports), SMEs may gain at the extensive margins (i.e. they will have a greater chance to start participating in the foreign markets once these fixed costs go down due to a preferential trade agreement).

Firm productivity is an important factor determining whether a firm is able to cover the additional costs related to exporting and to start exporting. Due to the aforementioned economies of scale, SMEs rarely participate in international trade directly. They are often characterised by a sizeable productivity gap with respect to larger enterprises. This is also the case for both the Mercosur countries and the EU member states. The OECD data point to very large productivity gap of SMEs in Argentina, while in Brazil it is comparable to many of the numbers in the EU. However, in the EU the performance of SMEs is quite diversified with the SMEs in the new Member States in general performing relatively worse than in the more advanced EU economies. Moreover, in almost all analysed countries performance does improve with firm size. Hence, in order to enter foreign markets, SMEs need to overcome their disadvantage position with respect to large firms and even with some SME-targeted provisions (as it is the case of the EUMETA in principle) their changes to start exporting will be considerable smaller than it is the case of the large enterprises.

Figure 18 Labour productivity of micro, small and medium enterprises relative to large enterprises



Note: data in percent of large enterprises labour productivity. Data for 2018 (2012 for Argentina) for the business economy (all sectors). Micro enterprises are those with staff headcount below 10, small – below 50 and medium – below 250. Source: OECD, 2021 and OECD/CAF, 2019.

Looking more closely into detailed sectors of the respective economies, the SME productivity gaps are more pronounced in the manufacturing than in the service sector. For example, OECD (2021) data reveal that in 2018 the productivity level of a micro firm in Brazil (the only Mercosur country where comparable data is available) was at 39.3 % of the level of an average large firm, while in services it was as high as 72.2 % of a large firm level. Similar tendencies can be found for the EU MS. Moreover, in services the relationship between firm size and productivity is not straightforward. In several EU MS medium-sized service firms are more productive than large firms (in Brazil the difference between the large and the small firms is negligible). As the main economic effects of the EUMETA are to be found in manufacturing, the direct effects on exporting of SMEs is not expected to be spectacular due to these apparent productivity differences. Moreover, in the agricultural sector, expansion of the scale of operation of the large export-oriented commercial farms may disadvantage small farmers (see, e.g. Hartwell and Movchan, 2018). Small or family farms or indigenous farms are of specific relevance in the Mercosur countries, but not specifically referred to by the EUMETA.

Similar conclusions can be drawn from analysing the sectoral importance of SMEs. SMEs account for more than 99 % of all firms in both manufacturing and services in the EU. Taking into account firm size, sizeable differences between manufacturing and services emerge. In manufacturing, SMEs were responsible for the generation of 36.2 % of value added in 2018 while the respective number for services was 57.7 % (share of SMEs in employment was 52.3 % in manufacturing and 64.5 % in services).²⁶ The benefits of EUMETA can be expected to be skewed towards larger firms, as the largest liberalisation is expected to cover trade in goods, where medium and large firms dominate. Since our CGE simulations show an expansion of activity in these sectors in the EU and not in Mercosur, one can expect SMEs located in the manufacturing sector in Europe to be benefitting more from the agreement than their counterparts in Mercosur.

At the same time, SMEs are part of global value chains (GVC), i.e. a fragmented chain of production and supply of goods and business services. Participation of SMEs in GVC allows them to indirectly take part in international trade. They can enhance their productivity through adopting more efficient business practices, building international experience, and active participation in innovation and technology development (see, e.g., OECD/CAF, 2019). An expansion in GVC-related trade (mainly in the manufacturing sector) is also likely to benefit SMEs through input-output linkages in other sectors, in particular in the EU (for example, the automotive sector involves SMEs as suppliers of intermediate goods and services [OECD, 2016], while the services sector is potentially an indirect beneficiary of the expansion of trade in manufacturing). Since they are specialising on exports of raw material and agri-food products, Mercosur countries are not heavily involved in exports of intermediate goods and participation in GVC. Therefore, enhanced trade opportunities may also lead to a consolidation of producers and emergence of previously non-existent trade areas.

9 Employment effects in light of COVID-19 pandemics

9.1 Introduction

The EUMETA has been criticised by some scholars and civil society groups who believe that it will contribute to a deepening of the socio-economic imbalance between the EU and Mercosur. In particular, fears of deindustrialisation were raised by Portela de Castro (2021) and Capaldo & Ömer (2021). The latter argued that the agreement will ‘lead to the expansion of low-productivity, low-wage sectors at the expense of more dynamic sectors’ and, consequently, wage stagnation and growth in inequality. In Brazil, trade unions – already unhappy with the labour law situation in the country – criticised both the free trade terms and the bilateral negotiation format (Portela de Castro, 2021). In the past the main industrial sectors of Mercosur have been subject to a great deal of protection, which helped them to function despite a low degree of competitiveness. Opening up to import competition is likely to be more pronounced in these sectors than in others, i.e., the agri-food sector. This level of protection of the industry and lack of exposure to international competition has contributed to Mercosur’s difficulty to compete in global value chains due to high costs and low innovation.

Other critics point to threats to worker’s rights – predominantly that of women, children and indigenous peoples, as well as agricultural workers – resulting from the significant size of the informal labour market in the Mercosur countries, low observance of the international conventions (McCabe et al., overview on domestic approaches in chapter 9), and the absence of treatment of gender issues in the EUMETA.²⁷

²⁶ All presented data come from Eurostat, <https://ec.europa.eu/Eurostat/web/products-Eurostat-news/-/EDN-20191125-1>.

²⁷ Unlike the gender chapter in the EU-Chile FTA.

9.2 Implementation and monitoring of ILO conventions

The implementation of labour standards is conditioned by the ratification of the ILO conventions by the EU and Mercosur member states as well as dedicated regional instruments (i.e., Mercosur Socio-Labour Declaration²⁸). Yet, while EU member states have ratified all eight fundamental ILO conventions²⁹ since 2007, followed by the ratification of the priority convention on labour inspection (2009) and core social governance conventions, Uruguay is the only Mercosur country that ratified both fundamental and all four social governance conventions. Paraguay and Argentina have also ratified the eight fundamental ILO conventions and two (Paraguay) and three (Argentina) social governance conventions. The convention on labour inspection in agriculture (No. 129) lacks ratification in both countries. Brazil, however, stands out as being the only country that has not yet ratified one of the fundamental ILO conventions – convention 87 on the freedom of association. De jure the principles of the fundamental ILO conventions, including the freedom of association that lacks ratification in Brazil, are guaranteed by the Mercosur Socio-Labour Declaration and a dedicated intergovernmental institution – the Socio-Labour Commission charged with monitoring and enforcement of labour standards in the region. De facto, however, the state of labour protection remains limited across the Mercosur countries (except Uruguay) with numerous reports of workers' rights violations and persistently limited union rights and collective bargaining power (LSE, 2020).

The TSD chapter of the EUMETA, albeit sometimes heavily criticised for its lack of enforceability and asserted weak human rights dimension (Fritz, 2020; Harrison and Paulini, 2020), is set to support monitoring and protection of labour standards. Specifically, Pucheta et al. (2020) argue that benefits of the labour provisions of the agreement could proliferate through three pillars, namely with regard to their (i) substantive; (ii) procedural; and (iii) governance dimensions.

The substantive dimension, i.e., the explicit reference to parties' 'continued and sustained efforts towards ratifying the fundamental ILO conventions' (EUMETA Art. 4(4)) as well as the joint commitment to implement ILO conventions (Art. 4(7)) and promote decent work (Art. 4(2) and 4(10)), thus ensures that the countries will not lower domestic labour standards, both de jure and de facto, to enhance their competitiveness (Art. 2). From a procedural point of view, the implementation of ILO conventions is reinforced by the introduction of dedicated oversight institutions, namely the TSD Sub-Committee (Art. 14) tasked with the monitoring the implementation of the chapter provisions and the Domestic Advisory Group (DAG) that will ensure the inclusion of local civil society in this process. The introduction of government consultations (Art. 16) and a Panel of Experts (Art. 17) to support a consistent interpretation of the TSD chapter across the parties is also expected to reinforce the implementation process, albeit the issued opinions remain non-legally binding. This enforcement limitations of the procedural measures should be, at least partially, addressed by the governance dimension of the TSD. This includes, in particular, the dedicated Corporate Social Responsibility provisions (Art. 11) and strong emphasis on the domestic (i.e., with local social partners and civil society representatives) and cross-party cooperation mechanisms. Considering the *de facto* weakness of the EU enforcement potential as shown by the examples of the EU-Korea and the EU-Peru agreements (Harrison et al. 2018), the involvement of civil society and the real extent of their oversight will be crucial for the effective implementation of the TSD provisions of the EUMETA (Ghiotto and Echaide, 2020).

²⁸ Available at: <https://www.mercosur.int/en/labor-affairs-employment-and-social-security/>.

²⁹ Including conventions on (i) freedom of association, right to organise and collective bargaining (No. 87, 1948 and No. 98, 1949); (iii) abolition of forced labour (No. 29, 1930 and 2014 Protocol; and No. 105, 1957); (iv) abolition of child labour (No. 138, 1973 and No. 182, 1999); (v) equal remuneration (No. 100, 1951); (vi) non-discrimination in employment and occupation (No. 111, 1958). For further details see <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>.

Turning to the scope of the impact, the agreement is expected to strengthen the implementation of the fundamental labour standards with regard to the freedom of association and the right to collective bargaining (ILO conventions No. 87 and 98), to the elimination of forced labour (ILO No. 29 and 105), to child labour (ILO No. 138 and 182), and to work-place discrimination (ILO No. 100 and 111). Further, the explicit recognition of the importance of the 'labour inspection' component (EUMETA Art. 4(10c)) in line with the 2017 ILO Recommendation,³⁰ is particularly focused on addressing the extent of informal work in Mercosur countries (Pucheta et al. 2020). This is detrimental not only for the competitiveness of the EU companies but also for the de facto enforcement of the domestic labour regulations.

9.3 Results of the CGE modelling – long term impacts on employment

The results of the CGE simulations of changes in employment resulting from the EUMETA exhibit similar pattern as in the case of output changes, i.e., the EU MS expanding in manufacturing sectors and Mercosur countries in agri-food sectors. It has to be noted that the presented potential effects are simulated under the assumptions of full mobility of labour force across sectors within each economy (which normally depends on domestic labour policies and other structural characteristics of each economy) and only consider informal work and subsistence farming to the extent that is covered by official statistics on employment and sectoral output. It is important to note that the degree and definition of skilled and unskilled labour force, used in the analysis, can differ across sectors.³¹ One has to also keep in mind that similarly to the effects shown in chapter 1, these results refer to the isolated effects of the agreement compared to the scenario without the agreement, i.e. they would add up to changes in employment that will take place otherwise due to factors that are not directly related to the agreement.

These changes are expected to take place in a context whereby (as of 2019) in the EU 4.3 % of the workforce was employed in the agricultural sector (8.7 million) and one forth (24.8 %) in industry (49.7 million), while the remaining approx. 70 % in services (140.1 million). In the Mercosur countries the proportion of those working in agriculture (as percentage of total employment) was noticeably higher at 8.4 % (109.6 million people) and of those working in the industry – lower, at 20.1 % (over 22 million people, ILOSTAT, 2021). To put these numbers in perspective, almost the same number of persons worked in agriculture in the entire EU as in Brazil alone (8.7 million versus 8.4 million) but more than twice as many persons found employment in the EU industry than in the Mercosur countries (49.7 million vs 22.0 million).

It must be stressed, however, that the situation in the Mercosur group is far from homogenous, in particular in the agricultural sector; according to the official statistics, in 2019 the share of those working in the agriculture amounted to 18.7 % in Paraguay (0.63 million), 9.1 % in Brazil (8.4 million) and 8.3 % in Uruguay (0.14 million), but only 0.06 % in Argentina (just under 11 thousand persons). In the EU, in turn, Greece, Romania and Poland were outliers with 11.6 %, 21.2 % and 9.1 % of workforce employed in agriculture respectively.

In the Mercosur countries, as presented in Table 19 and Table 20, the additional gains in employment that are resulting from trade liberalisation are concentrated in the agri-food sector (agriculture and the food-related part of the manufacturing sector), in particular in vegetables, fruits and nuts, oil seeds and fats and meat sectors. Similarly, to the extent of the macro-level effects, these expected changes are slightly larger in percentage terms in Argentina, Brazil and Uruguay than they are in Paraguay. On the other hand,

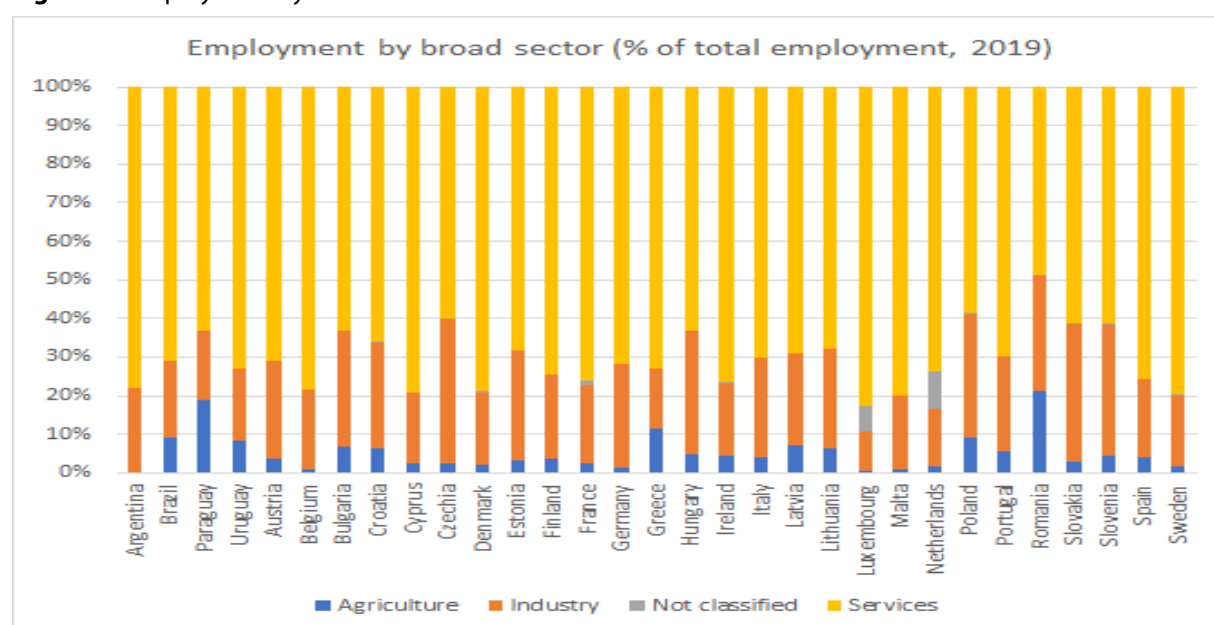
³⁰ ILO Recommendation 205 on employment and decent work for peace and resilience. Available at: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R205.

³¹ Skilled labour includes technicians, professionals, officials and managers. Unskilled labour includes agricultural, clerks, service, shop workers as well as other unskilled workers. However, the shares of different subgroups in employment in each region and sectors may be different.

the most prominent contraction is expected in the pharmaceuticals, metal products, machinery, and automotive sectors. The percentage changes in employment of skilled and unskilled labour force are similar across countries but given the considerably higher shares of employment of unskilled labour force in agriculture than in manufacturing and services, the overall increase in output of the food sector is expected to shift the labour demand in Mercosur towards unskilled labour in the agri-food sector and to some extent towards extraction sectors.

In the EU the expected changes are less pronounced than in case of the Mercosur countries, which – as noted in the LSE's SIA (2021) – is to be expected due to the larger size of the EU labour market and as initially noted, an asymmetry in the relevance in bilateral trade. In fact, *in none of the sectors* in the EU economy, the changes in employment exceed 1 percentage points.

Figure 19 Employment by broad sector



Source: own elaboration based on data from ILOSTAT.

The bulk of the negative impacts in terms of employment is in the agri-food sector where the average drop in both unskilled and skilled employment is 0.5 %. The notable exceptions are beverages as well as dairy where these changes are even milder. On the other hand, the main increases in employment are expected in the chemical sector as well as machinery and transport equipment. The differences in the expected changes in employment across skills are not sizeable but the shares in employment are (i.e., the share of skilled labour in the expanding manufacturing sector are considerably higher than in agriculture) which results to a slightly higher increase of the skilled labour wages as shown in Chapter 1.

Table 19 Changes in employment of skilled labour (%) over long-term results from a CGE simulation of EUMETA

	ARG	BRA	PRY	URY	EU27
Cereals	1.3	2.7	1.0	2.3	-0.4
Rice	0.7	0.2	0.8	1.5	-0.9
Vegetables, fruits and nuts	6.0	2.8	0.0	2.9	-0.4
Oil seeds and fats	2.1	2.0	0.1	0.7	-0.5
Sugar	0.9	0.9	1.3	-0.3	-0.5
Other fibres	1.0	1.4	-0.4	1.2	-0.5
Bovine meat	2.4	1.0	0.5	3.0	-0.7
Other meats	0.2	3.1	0.1	-2.0	-0.5
Other animal products	0.9	2.6	0.0	1.7	-0.4
Beverages and tobacco	0.1	0.2	-0.2	-0.5	-0.1
Dairy	1.1	0.1	0.2	-0.6	-0.2
Other food products	1.6	4.3	-0.6	-0.9	-0.6

Wood and paper	-0.6	0.4	-0.7	-0.6	0.0
Fishing	4.5	0.8	0.0	-0.4	-0.1
Coal	0.7	0.8	0.3	0.4	-0.1
Oil	0.7	0.7	0.8	0.3	-0.1
Gas	0.8	0.7	0.4	0.2	-0.1
Minerals	0.8	0.7	-0.1	0.0	0.0
Textiles and apparel	0.8	0.6	-0.7	2.9	-0.1
Chemicals	-0.2	-0.2	-1.9	-1.2	0.4
Petrol and coal	-0.1	-0.1	0.7	-0.2	0.0
Pharmaceuticals	-1.7	-1.5	-0.7	-2.8	0.0
Metal products	-0.8	-0.7	-1.0	-3.3	0.2
Mineral products	-0.4	0.0	-0.4	-0.8	0.0
Electronic equipment	-1.3	-0.3	-0.1	0.0	0.1
Machinery	-6.1	-3.4	-12.6	-4.8	0.5
Transport equipment	-6.1	-1.2	-2.1	-9.4	0.3
Utilities	-0.5	-0.1	1.2	-0.1	0.0
Construction	0.2	0.4	0.1	0.3	0.0
Trade	0.0	0.1	0.1	-0.1	0.0
Acc. and food services	0.0	0.0	0.1	0.0	0.0
Transport	0.1	0.1	0.1	0.2	-0.1
Communications	0.1	-0.1	0.1	0.1	0.0
Financial services	0.0	-0.1	0.0	0.3	-0.1
Real estate	-0.1	-0.2	0.0	-0.2	0.0
Other business services	0.7	0.4	1.2	0.4	-0.1
Non-market services	-0.2	-0.1	0.0	0.0	0.0

Source: Authors' own calculations. Note: Skilled labour includes technicians, professionals, officials and managers. The agri-food sectors include both farming and production of food products.

Table 20 Changes in employment of unskilled labour (%) over long-term results from a CGE simulation of EUMETA

	ARG	BRA	PRY	URY	EU27
Cereals	1.3	2.7	1.0	2.3	-0.4
Rice	0.7	0.1	0.8	1.5	-0.8
Vegetables, fruits and nuts	6.0	2.8	0.0	2.9	-0.4
Oil seeds and fats	2.0	2.0	0.0	0.7	-0.5
Sugar	0.9	0.9	1.2	-0.4	-0.5
Other fibres	1.0	1.4	-0.5	1.2	-0.5
Bovine meat	2.3	1.0	0.5	2.9	-0.7
Other meats	0.1	3.0	0.0	-2.2	-0.5
Other animal products	0.9	2.6	0.0	1.7	-0.4
Beverages and tobacco	0.1	0.1	-0.3	-0.7	-0.1
Dairy	1.0	0.1	0.2	-0.7	-0.2
Other food products	1.6	4.2	-0.7	-1.0	-0.6
Wood and paper	-0.6	0.3	-0.8	-0.7	0.0
Fishing	4.5	0.8	0.0	-0.4	-0.1
Coal	0.7	0.8	0.3	0.3	-0.1
Oil	0.7	0.7	0.8	0.3	-0.1
Gas	0.7	0.7	0.4	0.2	-0.1
Minerals	0.8	0.6	-0.1	0.0	0.0
Textiles and apparel	0.7	0.5	-0.7	2.7	-0.1
Chemicals	-0.3	-0.3	-2.0	-1.4	0.3
Petrol and coal	-0.2	-0.2	0.6	-0.4	0.0
Pharmaceuticals	-1.7	-1.6	-0.8	-3.0	-0.1
Metal products	-0.8	-0.8	-1.1	-3.5	0.2
Mineral products	-0.5	-0.1	-0.5	-1.0	0.0
Electronic equipment	-1.4	-0.5	-0.2	-0.2	0.0

Machinery	-6.2	-3.5	-12.6	-5.0	0.5
Transport equipment	-6.2	-1.4	-2.2	-9.6	0.4
Utilities	-0.5	-0.2	1.1	-0.2	0.0
Construction	0.1	0.3	0.0	0.1	0.0
Trade	-0.1	-0.1	-0.1	-0.4	0.0
Acc. and food services	-0.2	-0.2	0.0	-0.3	0.0
Transport	0.0	-0.1	0.0	0.0	-0.1
Communications	0.1	-0.2	0.0	-0.1	0.0
Financial services	-0.1	-0.2	-0.1	0.1	-0.1
Real estate	-0.2	-0.3	-0.1	-0.4	0.0
Other business services	0.6	0.2	1.1	0.2	-0.1
Non-market services	-0.2	-0.2	-0.1	-0.2	0.0

Source: Authors' own calculations. Note: Unskilled labour includes agricultural, clerks, service, shop workers as well as other unskilled workers. The agri-food sectors include both farming and production of food products.

9.4 Changes in employment 2019-2020

CGE modelling assumes fixed aggregate labour supply, i.e., there are no shifts between the pool of unemployed and the pool of employees. Moreover, the results are long-term, i.e., they assume perfect labour mobility across sectors and full implementation of the agreement. However, to account for the more short-term situation in the labour market and the extraordinary events related to the effects of the COVID-19 pandemics, it is worth examining data on changes that actually took place on the labour market between 2019 and 2020. These changes do affect the starting point for the adjustment of the labour market following the agreement and so are the other current factors affecting the labour market performance (indeed, the economic crisis in Argentina commenced way before the pandemic). Therefore, the expected results of the agreement will add to the existing trends in the labour market.

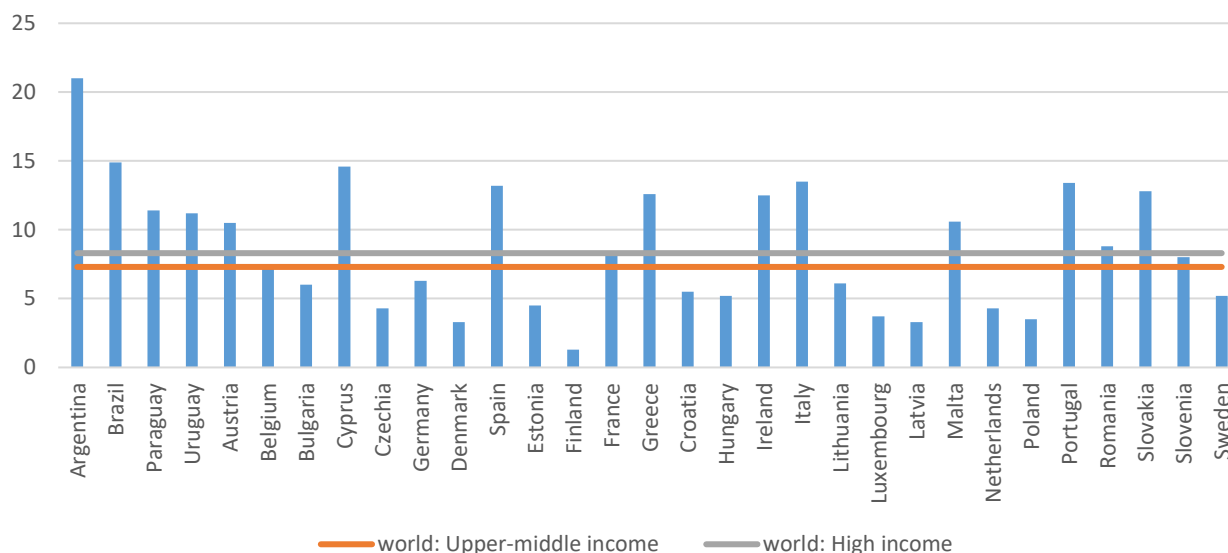
ILO (2021) estimates that on average globally the percentage of hours lost in 2020 due to Covid-19 compared to the 4th quarter of 2019 (seasonally adjusted) stood at 8.8 % (ILO, 2021). According to those estimations, on average, the Mercosur countries lost significantly more working hours than the EU27 states (14.6 % compared to 7.7 %). In the EU, the impacts have not been homogenous, with labour markets of some of the southern MS and Ireland affected more strongly than the other EU members (Torrejón, 2020).

In the long term, in the EU the CGE overall predicts (slight) contraction of employment in the agri-food sector. Between 2019 and 2020, the data available³² showcases that the number of those employed on average in the EU in certain agri-food sub-sectors that were taken into consideration in the CGE modelling contracted indeed: by -7.3 % in beverage and tobacco products; -5.0 % in the group composing³³ of oil, seeds and fats, sugar, other fibres, beef, other meats, other animal products, dairy, and other foods; -2.4 % in the grouping of cereals, rice, and vegetables, fruits and nuts; and -1.5 % in coal (EUROSTAT, 2021). In some other sub-sectors, however, on average in the EU the number of jobs did actually increase by 4.6 % in minerals; 4.4 % in oil and gas; 4.2 % in fishing. In manufacturing, in turn, where the model has shown an overall average increase in the number of jobs in the long term, the 2019/2020 data shows that in the EU on average the number of jobs declined in all sub-sectors but in pharmaceuticals, where it went up by 10.8 %.

³² For instances where data was not available see EUROSTAT, Employment by sex, age and detailed economic activity (from 2008 onwards, NACE Rev. 2 two digit level) – 1 000 [lfsa_egan22d].

³³ CGE model uses different reporting categories than EUROSTAT (GTAP and NACE 2 respectively), hence need for grouping of certain sub-categories while contrasting historical EUROSTAT data to the CGE modelling results.

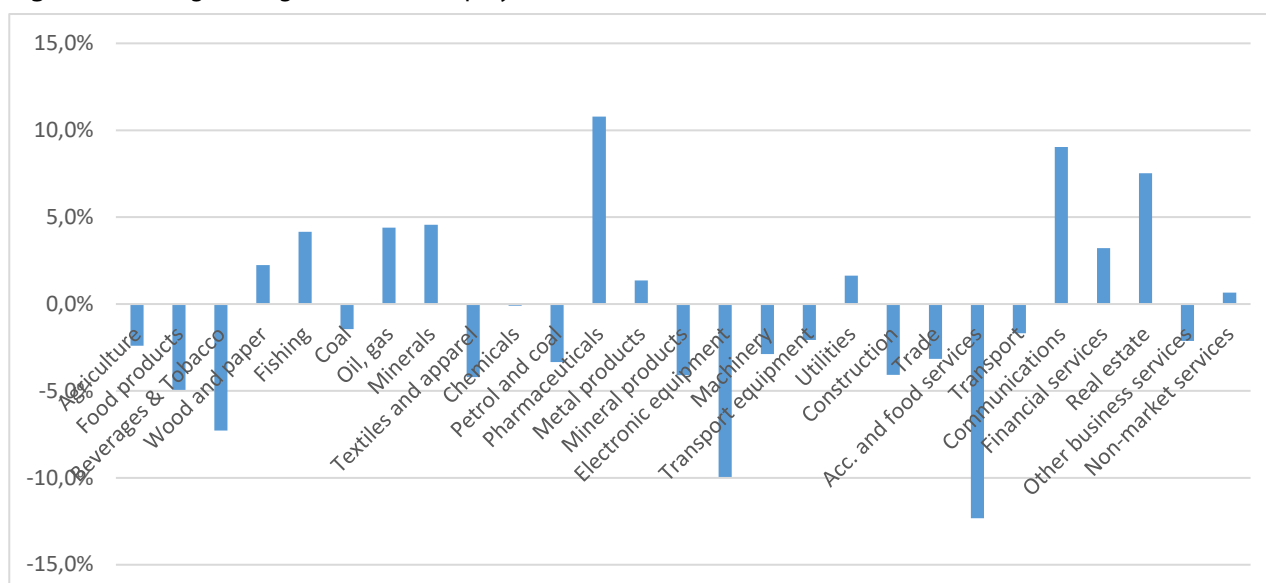
Figure 20 Working hours lost in 2020 due to the COVID-19 crisis – ILO modelled estimates (%)



Source: Authors' own elaboration based on ILO (ILOSTAT Explorer, 2021).

Across the sectors, those with temporary contracts were more likely to lose their jobs; between 2019 and 2020 the number of employees with unlimited duration contracts in the EU diminished by -0.5 % and those with limited duration contracts by -12.2 % (EUROSTAT). The most pronounced difference in the number of employees made redundant between the two groups could be observed in Greece (21.6 percentage points), Luxembourg (20.4 percentage points), Slovenia (19.6 percentage points) and Bulgaria and Poland (19 percentage points each). Denmark was the only country in the EU where during the period under analysis the number of employees with limited duration contracts increased while that of workers with unlimited duration contracts went down.

Figure 21 Average changes in the EU employment in selected sectors, 2019/2020 (%)

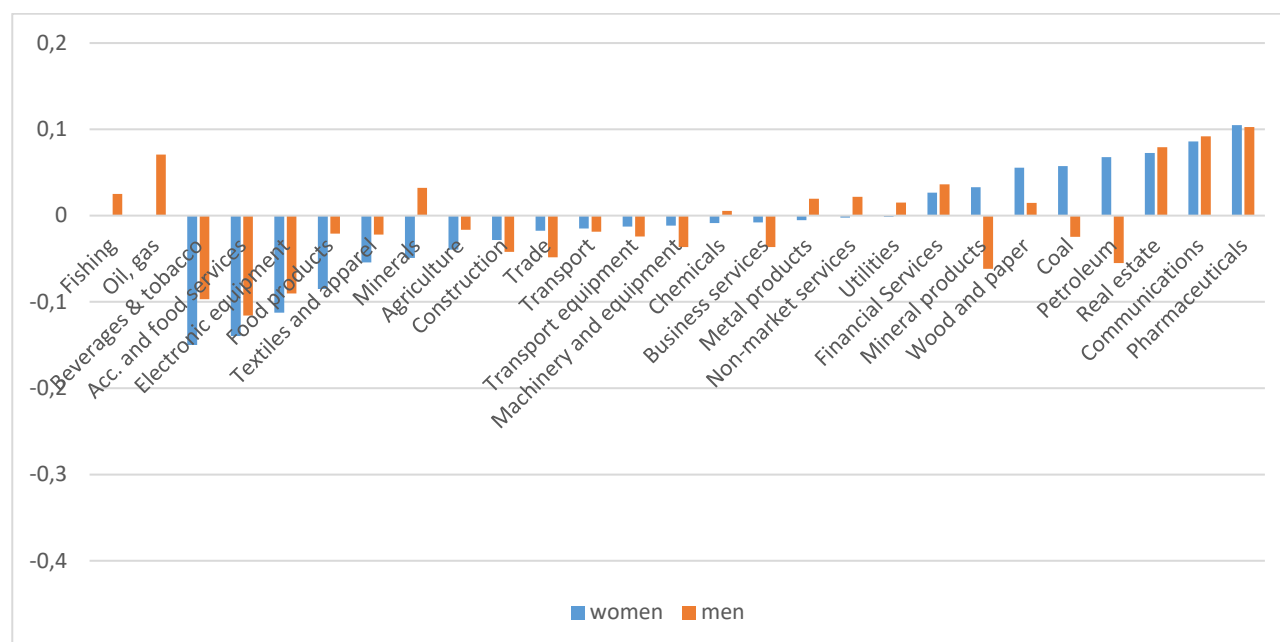


Source: Own calculations based on EUROSTAT data (Employment by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) – 1 000 [Ifsa_egan2]).

On average in the EU, women lost jobs more often than men both in manufacturing sector and in services, although the difference was most pronounced in the former where it stood at 1.6 percentage points versus 0.1 percentage points in the latter (EUROSTAT). Countries where gender differences between the number

of jobs lost in the manufacturing sector were most visible included Luxembourg, Cyprus, Slovenia, Estonia and Croatia (to the disadvantage of female workers) as well as Latvia (to the disadvantage of male workers). The ratio of female to male employees that lost jobs was the highest in fishing and oil and gas sectors, followed by minerals. Men in turn lost more jobs than women in petroleum and coal, mineral products, and coal sectors. Least pronounced differences (below 1 percentage points) were visible in pharmaceuticals, transportation, communications, finance, and real estate.

Figure 22 Changes in the number of male and female employees in the EU employment in selected sectors, 2019/2020 (%)



Source: Own calculations based on EUROSTAT data Employment by sex, age and detailed economic activity (from 2008 onwards, NACE Rev. 2 two digit level) – 1 000 [lfsa_egan22d].

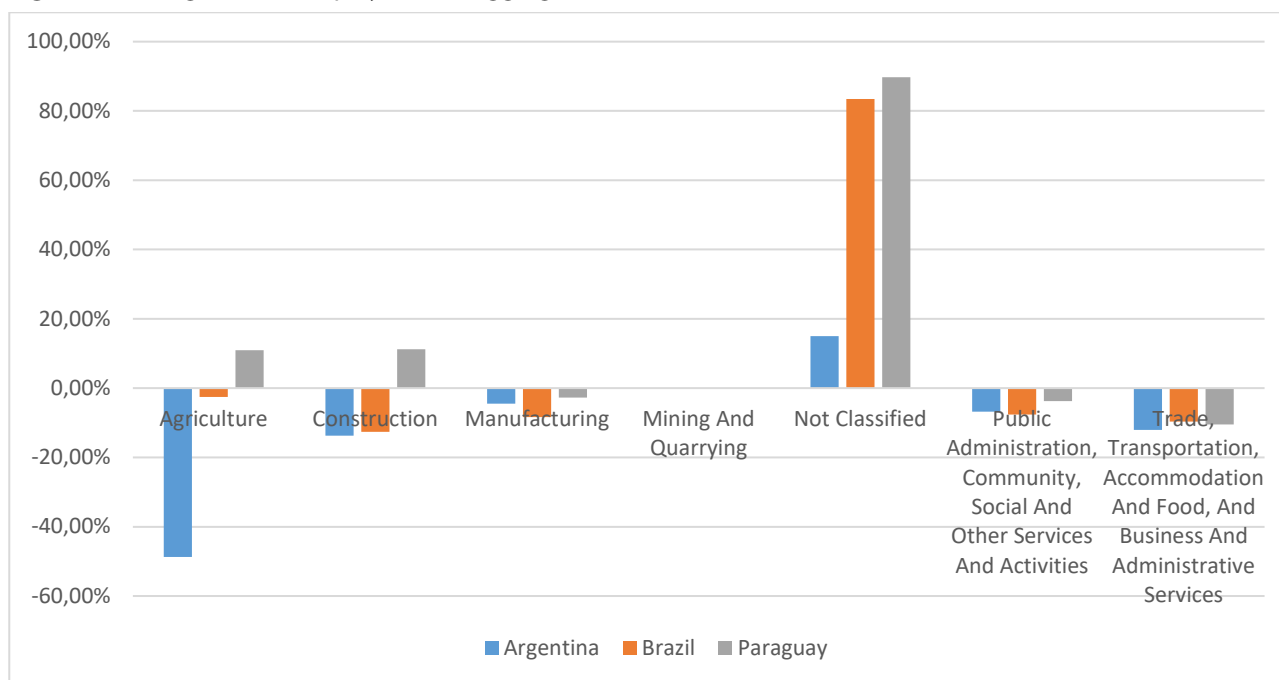
In terms of labour costs, between 2019 and 2020 in the EU27 on average the nominal wages and salaries increased across all industries (EUROSTAT). On aggregate level, manufacturing and industry (excluding construction) were two sectors (NACE Rev. 2) that saw the smallest increase (by 2.4 % each), with salaries and wages in construction going up by 3.8 % any by 4.2 % in mining and quarrying (against the average EU inflation of 1.4 % in 2020; World Bank, 2021). The most significant increases were observed in arts, entertainment and recreation (8.7 %), accommodation and food service activities (8.2 %) and other service activities (5.8 %). The changes varied significantly between individual EU MS. For instance, nominal wages and salaries in Croatia decreased across nearly all sectors with the exception of i) human health and social work activities; ii) education; human health and social work activities; arts, entertainment and recreation; other service activities; iii) arts, entertainment and recreation; iv) education and v) water supply; sewerage, waste management and remediation activities. On the other hand, nominal wages and salaries in Lithuania, Slovakia and Portugal went up across all sectors and by as much as 20 % in human health and social work activities in Lithuania, 22.8 % in Slovakia in accommodation and food service activities, and 16.7 % in Portugal in arts, entertainment and recreation.

Changes that took place in the labour markets of the Mercosur countries between 2019 and 2020 are far from homogenous.³⁴ Looking at the aggregate sectoral level, as it can be seen on Figure 23, the number of those employed in the agricultural sector in Argentina decreased by almost half (-48.7 %), in Brazil by

³⁴ Sectoral-level data for Uruguay was not available due to a break in the series and revision of methodology.

just -2.5 % but in Paraguay it actually went up by 10.9 %. Less stark differences can be observed in the manufacturing (excluding construction) sector, where the number of those employed declined by -4.5 %, -8.4 % and -2.7 % in Argentina, Brazil, and Paraguay respectively.³⁵

Figure 23 Changes in the employment in aggregate sectors in Mercosur countries, 2019/2020 (%)



Notes: no data for 2020 for Uruguay, no data for mining and quarrying. Source: Own elaboration based on data from ILOSTAT.

In terms of differences in the number of jobs lost among skilled and unskilled workers³⁶, the situation differs among the Mercosur countries.

In Argentina, 30.8 % of unskilled³⁷ workers outside of the agricultural sector lost their job in 2020, compared to 32.1 % for the skilled workers. The sectoral disaggregation shows that skilled workers mostly lost jobs in real estate services (64.2 %) but gained jobs in mining and quarrying (251.8 %). The number of unskilled workers, in turn, declined in a number of sectors, including mining and quarrying (39.5 %), arts, entertainment and recreation (49 %), and activities of extraterritorial organisations and bodies (43.8 %).

In Brazil, 1.7 % of skilled workers lost their jobs between 2019 and 2020, compared to an officially reported decrease of 11.9 % for unskilled workers. Overall, skilled workers were most likely to lose employment in activities of extraterritorial organisations and bodies (-45.0 %) as well as 'not elsewhere classified' (55.1 %), while unskilled workers – in arts, entertainment and recreation (-31.7 %). The main difference between the two groups could be observed in information and communication, where the number of skilled workers increased by 9.4 % but that of unskilled ones went down by 10.7 %. Both groups also suffered employment losses in the accommodation and food service activities – by 26.1 % and 21.2 % for skilled and unskilled workers, respectively.

Looking at the gender differences,³⁸ in Argentina, 9.7 % of male workers outside agricultural sector lost their job between 2019 and 2020, compared to 7.4 % of female workers. Both genders lost most jobs in

³⁵ It is worth noting that according to the official data outside of the agricultural sector 65.1% employees worked in an informal sector – up from 63.7% in 2019 (Oficina Central: Naciones Unidas e/Centeno, Paraguay).

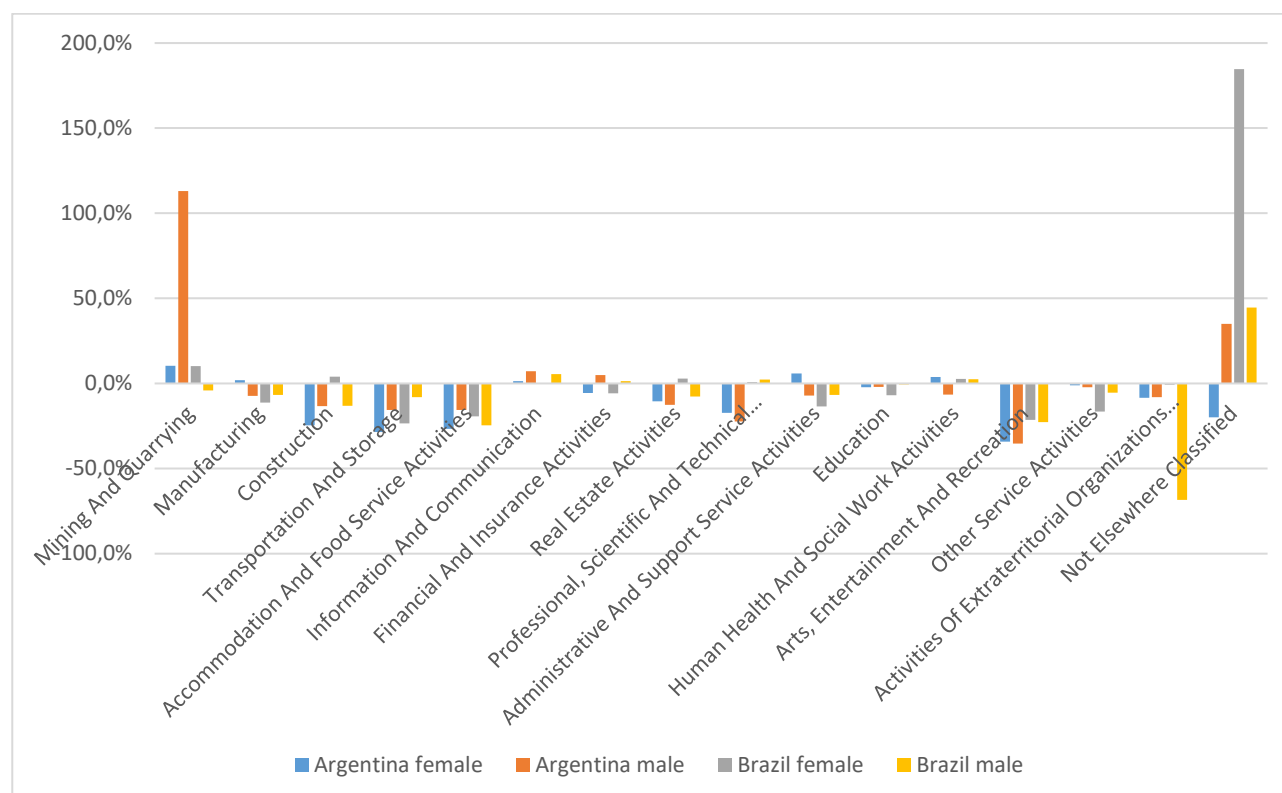
³⁶ No data for Uruguay or Paraguay.

³⁷ Skill level 1&2.

³⁸ No data for Paraguay or Uruguay.

arts, entertainment and recreation (by about 35 % each) but gained employment in mining and quarrying sector (by 113.1 % for men and 10.4 % for women) during the same period. In Brazil, however, the number of women with jobs decreased relatively more than that of men – by 9.4 % and 7.7 %, respectively. The number of females as compared to male employees declined most prominently in transportation and storage (-23 % and -8 % respectively), while men were more likely to lose employment in activities of extraterritorial organisations and bodies (68 %, compared to 1 % for women).

Figure 24 Changes in the number of male and female employees in the Argentina and Brazil in selected sectors, 2019/2020 (%)



Source: Own elaboration based on data from ILOSTAT. Note: no data for agricultural sector, no data for Paraguay and Uruguay.

The **mean** nominal monthly earnings (measured in local currencies) of employees in Mercosur countries increased in Argentina, Brazil, and Paraguay across nearly all sectors with the exception of agriculture in Argentina and 'not classified' in Brazil.³⁹ In Argentina, in 2020 employees in manufacturing, public administration and trade, transportation, accommodation and food, and business and administrative services enjoyed 42-43 % higher nominal monthly salaries than in 2019 – however, against an average annual inflation of 39.8 %. Notably, during the same period, earnings in agricultural sector decreased on average by 4.5 %. In Brazil and Paraguay where the value of local currency decreased slower (4.8 % and 2.1 %). In the former, they went up by between 4.4 % in services and 10 % in public administration, community, social and other services and activities. However, in the 'not classified' sector where most jobs were created in 2020 (an increase by 83.4 %) salaries went down by -42.1 %. In Paraguay, salaries increased in manufacturing (0.3 %), agriculture (2.1 %) and public administration, community, social and other services and activities (3.7 %), but decreased in construction (-3.3 %) and trade, transportation, accommodation and food, and business and administrative services (-0.2 %).

³⁹ No data for Uruguay for 2020.

Both in Paraguay and Brazil, across all sectors women saw larger increase in their monthly salaries than men (with the exception of trade, transportation, accommodation and food, and business and administrative services in the former). In Argentina women's salaries growing faster only in public administration, community, social and other services and activities sector (no data for women's earnings in agricultural sector for 2020 was available).

In the medium to long term, the exact scale and direction of the post-pandemic rebound remains uncertain. One of the factors that will determine the strength of the overall impact of COVID-19 will, undoubtedly, be public support programmes' duration and depth (see, e.g., Blofield et al. 2020). It is, therefore, difficult to predict how will the situation on the labour markets in the EU and Mercosur countries look like by the time the EU-Mercosur agreement is fully implemented. Once it is, the effects of the pandemic will add up to the changes brought upon by the FTA.

In the EU, contraction of employment in the agricultural sector caused by the pandemic might be further aggravated by the shifts resulting from the agreement. In the Mercosur countries, on the other hand, the expected increase in the number of agricultural jobs may to some extent alleviate the post-Covid-19 slump, especially in Argentina. The same is true for the manufacturing sector in the EU MS, which saw a decline in the number of jobs in 2020 but where, according to the CGE modelling results, increase in employment is expected as a result of the FTA. In the meantime, in the Mercosur countries the drop in the number of jobs in the manufacturing sector that was observed during the first year of the pandemic may be further exacerbated once the agreement comes into effect.

Recommendations related to the labour market:

- continuously monitor labour market developments, in particular those related to potential violations of labour rights as well as any forms of discrimination.
- support long-term efforts towards skill improvement and education to facilitate cross-industry labour mobility to ensure and support productivity-improving reallocation of resources.

10 A pathway towards sustainability: respective measures in the Mercosur countries as docking points for cooperation

Considerable concerns about sustainable development within the Mercosur region, some with global ramifications such as deforestation and related climate and biodiversity repercussions, have accompanied the negotiations of the agreement over the past 20 years (Kehoe et al., 2020). The key question concerning sustainability for any trade agreement, including EUMETA, is whether the potential risks outweigh possible advantages for sustainable development. There are limits to any definitive quantification of the risks and benefits, due to the need to weigh the complex and interdependent quantitative and qualitative aspects. Nonetheless, the potential benefits and risks of trade agreements should be at the very least broadly identified. This involves questions such as whether the agreement's provisions affect sustainable development – and in which specific areas, for example, environmental quality or food security.

The most direct impact to be considered would be that arising from changed trade flows in certain products due to liberalisation (see agricultural products in chapter 3). There is then the question as to whether the rules and conditions in the agreement address these risks appropriately (see provisions for example in chapters 6 and 7).

It is also relevant to consider whether a concluded agreement provides options for continued dialogue on remaining risks or only those that arise after an agreement entered into force. An appropriate, effective dialogue can result in a common understanding of sustainability and stricter rules can be jointly defined in the years to come. In this way, both partners can define a pathway towards sustainability that extends

beyond the agreement since some challenges can be better managed by measures accompanying the agreement than covered by the agreement.

All trade rules explicitly linked to EUMETA, such as tariff incentives or safeguards (chapter 6), can lose their effectiveness under a changed pattern of trade. Such a change in the trade may arise for many reasons: the trading partner may conclude more attractive FTAs with third countries or production costs may increase due to increased input or export costs resulting from the introduction of stricter standards in the EU for example. As a result, there may be 'leakage' effects, if Mercosur exports products associated with sustainability risks, such as beef or soy, to destinations other than the EU. This can mean risks to sustainability – often globally relevant – remain, only without the EU being directly involved. Therefore, continuous cooperation and support for sustainability outside of the provisions in the EUMETA should be pursued.

Such cooperation along a joint pathway to support sustainability beyond and in parallel to an agreement should build on existing experience with local challenges and with the implementation of local measures supporting sustainability. Parties could build on recent initiatives based on the 15 point action plan by the Commission for a better enforcement of TSD chapters (EU Commission 2018) by means of, for example, the so-called 'handbooks of implementation' that rely on the help of authorities in partner countries and local actors. A first pilote has been concluded for Ecuador (National Board of Trade Sweden, 2019) and related experience could also be used proactively for the Mercosur region. As is now usual for EU FTAs, the EUMETA foresees TSD provisions to include domestic advisory groups composed of local actors additionally to a panel of experts on respective TSD measures.

A joint pathway should define milestones and integrate the existing docking points already in place in the Mercosur region, both at public and private as well as at regional and national levels. Some pilot programmes also exist at a local level, for instance in Brazil, providing experience on factors shaping the implementation and monitoring of sustainable development in the field (see cases below).

Connecting EU's further action supplementing the agreement to these existing frameworks in the Mercosur region serves pragmatically to build upon recent experience, supports local compliance and public confidence in any agreement, augments the bilateral efforts to strengthen sustainability and makes use of synergies.

10.1 International commitments and trade and investment agreements of Mercosur countries

The Mercosur states are broadly committed under the key multilateral instruments on sustainable development, including universal and regional human rights instruments, the set of core labour standards referred to in FTAs and Bilateral Investment Protection Agreements (BITs) practice (with the exception of Brazil for ILO Convention 87, see below), diverse multilateral environmental agreements (with the exception of Paraguay for the Nagoya Protocol), and the Agenda 2030, including the SDGs as well as the United Nations Declaration on the Rights of Indigenous Peoples.

Comparing existing sustainability provisions in Mercosur and EU FTAs (Table 21) shows that the Mercosur FTAs use broad language on sustainable development:

Regulatory Cooperation and Mutual Recognition is common ground in some FTAs signed by Mercosur countries, like the ones with Colombia, Chili, and India. Compared to EU's FTAs, specific issues on antibiotics, animal welfare and biotechnology are not addressed by existing Mercosur FTAs. The EU addressed these sensitive issues in their respective FTAs using dialogue formats.

Equivalency Agreements are not covered by any Mercosur FTA. In EU FTAs, they are only covered by the more recent agreements for animal products, such as in CETA. For some specific sectors, agreements exist that require the unilateral adoption of EU standards like the 13 'equivalency agreements on organic

products'. In this regard, the EU-Argentina equivalency agreement on organic products stands out as it is the only equivalence agreement the EU has concluded with a Mercosur country.

The new issue for the EU is that of sustainable value chains that are covered in the EUMETA (Art. 11 of the TSD chapter) and in some EU-FTAs, such as with Mexico and Chile. On the Mercosur side, similar coverage is missing from FTAs (table 21).

Table 21 Comparing coverage of sustainability in Mercosur and the EU FTAs

FTA	EUMETA	EU – FTA with					Mercosur -FTA with		
		Andean	Chile	Mexico	Japan	Ghana	Columbia	Chile	India
Explicit sustainable development in chapters and articles									
Food Security									
Climate change									
Biodiversity									
Forest/ Timber									
Fish/ Aquaculture									
Sustainable value chain									
Regulatory issues with links to sustainable development									
Animal welfare									
Antibiotics									
Biotech/GMO/Food safety									
Regulatory cooperation									
Mutual recognition									
Integrated equivalency agreement									
Regulatory agreements besides FTAs									
Organic product agreement	*								

Source: Respective Agreement texts, [Global Preferential Trade Agreements Database Library – World Bank, Search notifications \(wto.org\)](#), *only in Argentina.

Besides the FTAs, there are links to sustainable development and respective domestic policies in BITs. Typical rules on the protection of foreign investors may undermine or limit future sustainable development policies. Changing domestic policies to promote sustainability objectives may be claimed as indirect expropriation or unjustified limit of expected return. More recent BITs tend to provide more regulatory space for the host country to establish stricter rulings on issues of public concern (which may include sustainable development) or specifically address social, environmental and health issues.

The Mercosur countries have concluded fewer BITs compared to the several hundred BITs of the EU MS:

Brazil has only a few BITs in force (with Angola, Mexico, Dominican Republic, Armenia, Russia, Azerbaijan, Ethiopia, Oman, Mozambique, Japan, and India) (Vieira, 2021). In these BITs, the preambles declare the primary role that investment should have in promoting sustainable development. In the BITs with India, Mexico and Ethiopia, there is an additional clause on corporate social responsibility. The BITs with Mexico and India also include a reference to trade facilitation, especially for environmental purposes. Only the BITs with Ethiopia and India integrate a more extensive clause on protecting the environment and respect for domestic labour legislation (Vieira, 2021).

10.2 Regional and national initiatives in the Mercosur region

Jointly and individually, Mercosur countries undertake diverse initiatives to meet the various challenges that the region is facing in view of sustainable development (Table 22). A significant sustainable development challenge is to overcome poverty and reduce inequalities. Brazil, for instance, has the third-worst Gini coefficient (measurement of inequality) in Latin America. Intra-bloc and intra-national asymmetries are enormous and can be related to the other sustainable development challenges (Vieira 2021) like food

insecurity, sustainable food production and the inclusion of rural and marginalised urban communities as well as indigenous people.

There are different public and private initiatives, at the regional and national levels. Some diverging priorities can be observed across the countries on single sustainable development issues:

On sustainability, all Mercosur states follow the SDG process based on voluntary review reports from the UN High-Level Forum on Sustainable Development. Brazil, for example, took part in the SDGs national voluntary assessment in 2017. As a result, various improvements in public administration were envisaged, ranging from collecting data to implementing sectoral programs, from better governance to engaging networks of actors and optimising public spending. In terms of agricultural subsidies, all but Argentina notified specific development subsidies to support poor farmers as permitted under the WTO AoA (Art. 6.2). However, they only make use of this option at marginal levels of less than 1 % of total green and development box support in Brazil, 1 % in Uruguay and 2 % in Paraguay (see Figure 36 and Figure 37 in the appendix).

Table 22 Initiatives in the Mercosur region on dimensions of sustainability: jointly and nationally (examples)

	ARG	BRA	PRY	URY	Mercosur
Sustainable development in general					
SDG reports					
WTO agricultural subsidies on development (latest year)					N/A
Human rights and labour rights					
Labour rights (8 core conventions ILO)					
UN HRs System and Interamerican HRs System					
Indigenous people					
National public foundation/ agency					
Parliamentary representation					
ILO Convention 169					
Food security					
Voluntary guidelines of the responsible governance of tenure of land (VGGT)					
Principles for responsible agricultural investments (PRAI)					
Family farming					
Public procurement to use family farms for public supply					
WTO agricultural subsidies on food aid (latest year)					N/A
WTO agricultural subsidies on food stocks (latest year)					
Other food security programmes esp. during Covid				no information	
Environment					
Framework Agreement on Environment/the Protocol on environmental emergencies					
Escazú Convention					
Several national laws					N/A
WTO agricultural subsidies on environment					
Climate					
Paris Agreement/UNFCCC					

Biodiversity					
Convention on Biodiversity					
Nagoya Protocol					
Deforestation					
Forests National Legislation					
Organisation for Cooperation of the Amazon Treaty					
Animal welfare					
Explicit acts on husbandry, transport, slaughter			no information	no information	no information
WTO agricultural subsidies on pest and disease control (latest year)					N/A

Source: FAO GIEWS, Country Briefs, at <http://www.fao.org/giews/countrybrief/>, MRE-Paraguay, 2004 Protocolo Adicional al Acuerdo Marco sobre Medio Ambiente del Mercosur em materia de Cooperacion y Asistencia ante Emergencias Ambientales, MRE-Paraguay, (access on 17 August 2021), Parliamentary Commission for the Right of Indigenous People, Brazil, 2019, In: <http://frenteparlamentarindigena.com.br>, Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean of 4 March 2018 (Escazú Convention) C.N. 195.2018. TREATIES-XXVII.18.

<https://treaties.un.org/doc/Treaties/2018/03/20180312%200304%20PM/CTC-XXVII-18.pdf> last visited on 12 August 2021, Secretariat of the Convention on Biological Diversity. (2010). Introduction to access and benefit sharing. <https://www.cbd.int/abs/infokit/brochure-en.pdf>, UNFCCC-REDD, REDD+ Platform, available on <https://redd.unfccc.int> (access on 17 August 2021).

Human Rights and labour standards are essential for sustainable development and a basis for achieving several SDGs, particularly SDG 16 (peace, justice, and strong institutions). The Mercosur states are members of the UN, the Interamerican Human Rights instruments and the core ILO conventions and have incorporated these in their national legislation. Brazil has not ratified the ILO Convention 87 on Freedom of Association due to interpretation conflicts with a related Brazilian constitutional right. However, Brazil guarantees intra-constitutional legislation on freedom of association. Mercosur states have committed themselves by signing the Mercosur Protocol on Human Rights, which refers to other human rights treaties ratified by the Mercosur countries. The Protocol's general clause concerns all human rights, and it envisages applying the protocol if there is a general violation of human rights or fundamental freedoms. This could be the case with an institutional crisis or a pending state of emergency, as defined by the constitutions of each country. In such an instance if consultations do not settle the alleged violations, the Protocol provides for suspension of rights of the Mercosur member state involved (MRE-Paraguay, 2021).

On environmental human rights, it must be mentioned that Argentina and Uruguay have already ratified, and Brazil and Paraguay have signed, the 2018 Escazú Convention on Access to Information, Public Participation and Justice in Environmental Matters that entered into force in April 2021. However, to fully respect, protect and fulfil these respective rights and standards there is a need for more capacity building, awareness-raising, human rights education and monitoring.

Protection of indigenous peoples, their self-determination rights and their lands have gained political salience in most of the Mercosur region. These communities account for an important share of populations. The share of citizens who identify themselves as indigenous in each country is 4 % in Brazil and Argentina, 5 % in Uruguay, and nearly double in Paraguay at around 9 % (IWGIA, 2020). Many live in traditional communities and have traditional lifestyles, contributing to comparatively sustainable land use. Studies (IWGIA, 2020) have pointed out that forest regions, lands demarcated as indigenous have almost no incidence of deforestation. This compares favourably with other conservation areas and thus directly contributes to climate change mitigation. Except for Uruguay, all the Mercosur states have ratified the ILO Convention 169 on Indigenous and Tribal People, and all have supported the adoption of the UN Declaration on the

Rights of Indigenous Peoples. These two international instruments define indigenous self-determination rights, together with their rights to lands and natural resources and non-discrimination. In Brazil, nearly all land demarcated as indigenous is concentrated in the Amazon Region. Brazil's commitment to formalising indigenous peoples' territorial rights was incorporated in the country's 1988 Constitution. Indigenous lands have been formalised on more than one-fifth of the Brazilian Amazon since then, often in areas near the deforestation frontier (BenYishay et al., 2017). The Brazilian government established the first-ever National Policy on Territorial and Environmental Management of Indigenous Lands in 2012. In 2018 a national parliamentary working group for the rights of indigenous peoples was created to represent indigenous people's rights in the federal parliament. The working group's recent focus has been on opposing draft legislation in Parliament on the demarcation of indigenous people's land because this can reduce their land rights. The Brazilian National Agency for Indigenous People, established as early as 1967, is responsible for demarcating indigenous people's lands and for supporting their rights. In Argentina and Paraguay, there are similar frameworks for parliamentary representation and national agencies for protecting indigenous rights. Uruguay is the only Mercosur country without any of these institutions. Nor does it demarcate indigenous lands, with the result that indigenous people are often forced to move to urban centres (CEPAL, 2014). This problem was raised by the Commission for the Uruguayan Charrua people at the UN Commission against Racial Discrimination (CONACHA, 2020).

Food security is particularly relevant, for the Mercosur region. Between 20 % and 35 % of the Mercosur, the population is moderately or severely food insecure compared to only 6 % of the EU population (Table 23). According to some scientific findings, the rural population faces a higher risk of food security, especially in the case of small farmers. This probably is more relevant in Mercosur countries, as more people live in rural areas than in the EU (up to 38 % in Paraguay).

Table 23 Hunger, obesity and rural poverty in Mercosur compared to EU MS

	Moderately or severely food-insecure 2017-19 (2014-16), % total population (2017-19 and 2014-16 population data)	Obesity in adults 2016 (2012), % total population 2016 (2012) population data*	Rural population 2019 (1990), % total population
BRA	▲20.5 (18.1)	▲16.2 (14)	▼13 (26)
ARG	▲35.7 (19.2)	■19.7(18.5)	▼8 (13)
URY	▲23.2 (20.5)	▲20.6 (17.8)	▼4 (11)
PRY	-	▲ 13.2 (10.9)	▼38 (51)
EU*	▼6.2 (7.9)	■17.8 (16.7)	-
DEU	■3.5 (4)	■18.6 (17.4)	▼22 (26)
FRA	■5.8 (6.6)	■16.3 (15.2)	▼19 (25)
ROM	▼14.4 (19.2)	■19.3 (20)	■45 (46)

Source: based on FAO, 2020, Table A1.2; Notes:*Calculation based on FAO data on obesity and data on population (World Bank World Development Indicators). Different base values are used, as FAO data refers to adults only, whereas the World Bank data covers the whole population, which leads to an underestimation of the resulting share.

Most risks to food security and poverty are seen in the literature as indirect effects of an increase in trade. The underlying assumption is that increased trade opportunities lead to pressure to extend land use for attractive export products. This may as a result displace former food production and result in local producers losing income (e.g. Hinojosa 2009, p. 1113). Another indirect effect often stressed is the concentration of large export companies replacing small local producers (McCabe et al., 2020).

Food security according to FAO encompasses the different dimensions of availability, access, utilisation, and stability (FAO, 2008), which may all require different measures, as is reflected in the diversity of arrangements across the Mercosur region:

- *International rules on investments and food security.* All Mercosur countries follow various projects under the FAOs voluntary guidelines VGGT. However, not all have formally adopted them. Explicit information could be found only for Brazil. At the Mercosur level, no formal regional arrangement exists for the principles on responsible investments (PRAI) for business actors, jointly initiated by the UN and the World Bank. But an agreement on PRAI was signed between the Latin American Parliament (PARLATINO) and the FAO (FAO-PARLATINO, 2019). Hereby all Mercosur countries are at least recommended to apply the PRAI. As single countries, Argentina and Brazil do apply them.
- There is the option to notify *agricultural subsidies* for food security to the WTO in terms of food aid or financing food stocks. They are part of the permitted 'Green box' (appendix 2 of AoA). This option is used extensively by Brazil, which spends nearly 80 % of all its green box for food aid and stocks. Paraguay applies them to a lesser extent, and they account for around 15 % of its green box (see Figure 36 in the annex). The other countries have not notified any equivalent measures but do provide support through other framework programs.
- *Social programmes supporting food security* are also implemented in all Mercosur countries. Several new or expanded social protection programmes were implemented due to the Corona crisis (see FAO GVIEWS 2021 different country reports). *Brazil* launched an emergency aid programme and grants subsidies to guarantee a minimum wage mainly for informal and low-income workers and the unemployed. New beneficiaries were additionally added to the existing transfer programme 'Bolsa Familia'. *In Argentina*, a new social programme, 'Argentina against hunger', started in January 2020. It provides monthly financial support to current social welfare beneficiaries through an electronic 'food card', allowing recipients to buy all categories of food up to the value of a prior defined basic basket (composed of dairy, vegetables and meat). In addition, an existing price ceiling system on several basic food commodities was extended. It has also increased the monthly allocation to vulnerable households through the social protection scheme 'Tarjeta Alimentar'. There is another programme on food waste and losses that sets up a register of eligible institutions for receiving such food for free distribution to consumers. *In Paraguay* also several support programmes have been initiated, like the cash transfer programme 'Tekoporã' and the new social protection schemes 'Ñangareko' and 'Pytyvo' that were created in 2020, especially for children and workers in the informal sector.
- *Tax instruments and other measures.* Mercosur countries often exclude certain food products from VAT as in the EU. For instance, *Uruguay* has a lower VAT for meat products, making meat cheaper for consumers than other foods (WTO 2018, p. 55). *Brazil* does not exempt food products from indirect taxes, and it does not have a single VAT system. Most indirect taxes are subject to subnational legislation. But there are other food-related regulations on public procurement in place in Brazil. For example, there has been a programme for buying from family farms through the Food Acquisition Programme to supply food to public institutions like schools, hospitals, and other state-run sectors, which at the same time should support small farmers.
- *For small farmers, there exists support for so-called family farming.* For example, at the *regional Mercosur level*, the Interamerican Institute for Cooperation on Agriculture (IICA) and the International Fund for Agricultural Development (IFAD) support such programmes. The IICA has worked mainly, in times of COVID-19, on plans to keep and protect family-run agribusiness since they represent 80 % of all production in the region.

Obesity is another nutritional challenge, more linked to nutritional quality than food security. Obesity is often missing in trade analysis, although despite being of increasing relevance (as an exception see LSE 2020, p. 130). In the Mercosur region, obesity affects up to 20 % of the population (Uruguay), which is comparable to the EU with a share of 18 % (the highest share being in Romania with 45 %, Table 23). As the data only considers adults, all shares can be assumed even higher if children were to be included. As this

problem plays a role in all countries, at both the EU and Mercosur sides, it could be considered in future cooperation.

Environmental protection is another critical issue in terms of the impact of the EUMETA. The Mercosur region hosts ecosystems and environmental resources with global relevance, such as the Amazon rainforest. Due to its rich biodiversity, Brazil is one of the so-called 'megadiverse countries' of the world. At the same time, the region's environment is affected by various challenges of a global but also of a regional nature. The latter include land-use changes and mainly deforestation, which is driven by agricultural production. Mercosur states have acted in this regard both jointly and individually. For example, in 2004, they concluded the Framework agreement on the environment of Mercosur (Acuerdo Marco sobre Medio Ambiente del Mercosur, MRE-Paraguay, 2021), which refers to the 1992 Rio Declaration and Agenda 21 and is based on the understanding that trade and environmental policies should complement one another to ensure sustainable development within Mercosur (Preamble, para. 6). To that end, the agreement sets out several principles and envisages close cooperation on a whole range of thematic areas. In 2004, an additional protocol (MRE-Paraguay, 2021) was concluded under the agreement on cooperation and assistance in the event of environmental emergencies. Furthermore, more recently, the Mercosur states took part in the Escazú Convention. This is comparable to the Aarhus Convention concluded earlier by European states, but with the addition of provisions for indigenous peoples and public and human rights defenders.

Beyond these different joint activities at regional levels, all Mercosur states also have additional individual policies, programmes and legislation covering various aspects of environmental protection. One type of national support derives from WTO subsidies on agriculture, specifically for environmental objectives like supporting biodiversity. However, it is only used by Uruguay, amounting to 11 % of its overall allowed green box-subsidies (see Figure 37 in the Annex).

Regarding climate change, all Mercosur states have submitted their first nationally determined contributions (NDCs). Argentina submitted its second NDC in 2020. In the same year, Paraguay and Brazil updated their first NDCs, while Brazil took back initial commitments on the reduction of deforestation. On Reducing Emissions from Deforestation, originally called REDD (UNFCCC, COP 11, 2005)^[4] commitments were undertaken at the UNFCCC (COP 11, 2005). In 2014 Brazil was one of the first countries in the world to present its results on REDD to the UNFCCC and the Brazilian data were found to be complete and transparent in accordance with the UNFCCC directives (MMA, 2016). Lately, Brazil has had difficulties in a good performance. Although the Brazilian deforestation rate decreased from 2004 to 2016 the figures show that it grew significantly in recent years (Rajao et al., 2020). In 2020, the Brazilian Amazon Deforestation Monitoring Program estimated deforestation of 11 088 km² based on 45 % of the supervised area, which represents an increase of 47 % and 9.5 % compared to 2018 and 2019 respectively and thus the highest deforestation rate in the decade (Silva Junior et al., 2021). Some of the existing Brazilian frameworks that could be utilised to achieve better results on REDD are the National Commission for Climate Change, the Implementation of National Legislation and the National Policy on Climate Change (Legislation 12.187, 2009) and the Climate Fund (in the Brazilian Bank of Development). Despite the international commitments of all four Mercosur countries, there is a strong necessity to develop effective policies related to zero deforestation and reforestation such as through educational projects (see case studies).

On **biodiversity**, the Mercosur region is rich in species. In Brazil, there is national biodiversity legislation and a national system for protecting genetic resources. So, the main difficulty in implementing the legislation in practice. The Brazilian System of Information on Biodiversity, launched in 2014, provides data and research information on biodiversity and ecosystems. It is supported by the UN Program on Environment, the Green Environment Fund and the World Platform on Biodiversity. Argentina and Uruguay also have national biodiversity legislation and programmes in force, which is included in their forests' protection measures (see below). The latest revision of the CBD, originally scheduled for 2021, had been postponed to spring 2022. It is intended to set a 30 % protection area, something that is of concern for indigenous

communities. It is also necessary to interpret whether and under what conditions agricultural activities are possible in the designated areas.

Deforestation is probably the most relevant challenge in view of climate change and biodiversity and is often directly linked to commodity production. Agricultural production is seen as a critical driver of biodiversity reduction and accounts for over one-third of global forest loss (Curtis et al., 2018; Green et al., 2019a).

Mercosur countries established several legislative norms in response to this risk. *Argentina* adopted the Argentine Forests Law, the Argentine Pilot Programme for REDD+ and the Argentina Federal Council for the Environment in Argentina. In *Uruguay*, there is the National System of Protected Areas created by national legislation in 2005.

Brazil is a member of the Organisation for the Treaty on the Amazon Cooperation (OTCA), which brings together countries in the Amazonian (but does not include the other Mercosur states) and incorporates in its framework the Amazonian Regional Observatory, the Regional Platform for Exchange of Information and Knowledge and the Regional Program on Biological Diversity in the Amazon region. One of the main issues in the OTCA's agenda is policies against deforestation. The OTCA has recently approved the Forest Programme for the Amazon Basin Region, promoting conservation and sustainable forest management through coordination, cooperation and implementation actions among member countries.

Brazil addresses the issue through the shared responsibilities of the federal government, states, and municipalities. The core element of Brazilian's forest policy is the Brazilian Forests Code. Already in 1934, the Brazilian government enacted the first Forest Code, adapting it only in 1965. It was revised and strengthened in 2012 by requiring that private landowners need to conserve up to 80 % of their property in native vegetation depending on the ecological system (Soares-Filho et al., 2014). Another requirement is the registration scheme to monitor deforestation through the Environmental Rural Registry (CAR). This is a legal instrument that helps promote environmental regulation and the implementation of the Forest Law. It comprises a geodatabase in which private landowners self-declare property boundaries and land use classifications via an electronic system. This is then verified by the state or federal government (Azevedo et al., 2017). In total, 6.5 million properties equivalent to an area of 544 million hectares had been registered by the end of 2018 (Varns et al., 2018). Even though the CAR is not a formal land tenure classification, it provides the best available assessment of the distribution of private properties in Brazil and helps identify land tenure gaps (Sparovek et al., 2019). Again, it is important to stress that only private property is addressed.

Brazil also uses several administrative acts, though recent information on their status is not available:

In 2007, a municipal embargo policy was defined, based on the interministerial Action Plan for Prevention and Control of Deforestation in the Amazon (PPCDA) of 2004 (Varns et al., 2018, p. 4). This foresaw a blacklist for municipalities (see case SFX below). Municipalities were placed on the so-called 'priority list' based on three criteria: total forest area cut down, total forest area recently cleared (over the last three years) and the recent increase in deforestation rate (in at least three of the previous five years), all of which were measured using satellite imagery provided by the National Institute for Space Research (Neves & Whatley, 2016). A consequence of being put on that list is that no other forest licences are granted, no purchase of forest products of the region is allowed and access to financial credit for agriculture is limited. Criteria to be de-listed are a registration degree under CAR of 80 % in the municipality, a limitation for deforestation rate at 60 % of the average rate for the three previous years and an absolute target of reducing deforestation to less than 4 000 hectares per year (Varns et al., 2018, p. 6). There also exists an observatory for checking the municipalities' compliance with forest legislation and administrative provisions.

The Brazilian government's recent policy moves toward less public protection. A less strictly enforced land tenure regime has possibly contributed to the Amazon's increased deforestation trend since 2012 (Soares-Filho and Rajão, 2018). A Supreme Court ruling on the so-called 'Marco temporal' is still pending – it was originally scheduled for August 25, 2021, but was postponed. It is planned to rule on a common understanding, particularly among business actors, that indigenous peoples must prove they were living on the land when Brazil's constitution was established in 1988 (OHCHR 2021). This public and legal debate have been ongoing for several years. Finally, there are additional multi-sector or cross-sector initiatives in Brazil, especially on avoiding deforestation (chapter 2.3).

Animal welfare is an increasingly relevant societal concern and is closely related to agricultural production patterns. The EU's positions and priorities in this regard have broad public support, as recently witnessed by the success of the European Citizen Initiative on 'End the Cage Age'.⁴⁰ The Mercosur states and their societies have not so far been reported as sharing this priority. Nevertheless, the EUMETA may have a significant impact in this regard, as it will liberalise trade in agriculture while at the same time explicitly addressing animal welfare (see chapter 1.6). Mercosur countries address animal welfare through domestic legislative measures usually separated from animal health. These include a wide range of topics, such as animal husbandry, transportation, and slaughter. The lack of harmonised federal regulation for livestock has been observed by the database of world animal protection in *Brazil*. *Argentina* has imposed several laws. However, legislation often fails to provide legally binding standards prohibiting some farming methods. Transport regulation focuses on preventing animal mistreatment rather than positively supporting standards on animal welfare. As far as animal health concerns, this may be supported by WTO-consistent subsidies in agriculture, such as to solve diseases. All Mercosur countries notified equivalent subsidies, especially by Paraguay (nearly 50 % of all green box measures) and Uruguay (22 %) (Annex Figure 36 and Figure 37).

10.3 Product-specific initiatives

Several products are seen as risk commodities, especially for deforestation. These products include beef, soy, and sugarcane, which are also defined as relevant risk products in the envisaged EU act to hold deforestation (EP 2020). For the case of Brazil, analysis has shown that most of Brazil's agricultural production is officially designated as deforestation-free. However, illegal deforestation takes place in specific sectors (Rajão et al., 2020; Silva Junior et al., 2021):

- *Beef* is the most relevant sector for deforestation. Most apparently deforested land, around 75 %, in the Amazon and Cerrado, is assumed to be converted to pasture (Ermgassen et al., 2020). Rajao et al. (2020) estimated that 17 % of beef exports to the EU originating from the Amazonas and Cerrado might be tainted by illegal deforestation. Another study by Ermgassen et al. (2020) found that up to 74 700 ha/year of deforestation can be linked to Brazil's global cattle exports. But the domestic market is also a highly significant risk factor. Modelling on the impact of the EUMETA by Hovmand et al. (2021) showed no change in land use for agricultural production. They stressed that for the beef sector in Brazil, the estimated increase in exports (+0.2 %) as a result of the EUMETA is small compared to high total beef production mainly for the domestic/Mercosur market.
- In the case of *soy*, the export market can be a critical driver of domestic production expansion and subsequent deforestation. According to Rajao et al. (2020), up to 20 % of soy exports to the EU originating from the Amazonas and Cerrado might be contaminated with illegal deforestation. But this remains challenging to show conclusively. It is critical to recognize, however, that in addition to the

⁴⁰ A European Citizens Initiative on 'End the Cage Age', which called for a prohibition to keep animals in cages and received the support of more than a million EU citizens, see Communication from the Commission on the European Citizens' Initiative 'End the Cage Age', C(2021) 4747 final of 30.6.2021.

global market, the Brazilian market is a significant factor accounting for 45 % of soy-related biodiversity impact due to the domestic demand being fulfilled by production from more biodiverse regions (Green et al., 2019b). Nevertheless, the bulk of sustainably certified soy – still very little in global terms – originates from Brazil (see below).

- *Sugarcane* production has recently increased in Brazil, one of the main producers in the region, at the expense of pastureland and other temporary crops. But whether this just substitutes risks is difficult to examine (Walter et al., 2011). Demand for sugarcane is increasing also due to the biofuel demand. Land-use conversions to new sugarcane plantations up to 2030 will mainly occur in the Southeast and Midwest of Brazil, and the overall conversion of native vegetation and other cropland is low (Follador et al., 2021). Therefore, Follador et al. (2021) suggest that Brazilian sugarcane production can meet the rising global demand without further deforestation only with good agricultural practices e.g. on water use. Hereby productivity can be increased, leading to less land use.

For all these high-risk products, several initiatives on sustainable production are in place. The set of measures for major risk products differs across products and countries. They may involve state actors, the private sector and stakeholders at national or regional levels (Table 24). Some private initiatives later become legal requirements. This was the case with the CAR registration system that started as a private initiative of the NGO ‘The Nature Conservancy’ in cooperation with Cargill, the largest global soy trader (Varns et al.2018, p. 6). This example shows the importance of considering initiatives by various stakeholders and of public-private-partnership activities.

Table 24 Product-initiatives in public and private arrangements on dimensions of sustainability (examples)

	Public	Private
Argentina		
Beef		
Soy		
Fruit and vegetables		
Brazil		
Beef		
Soy		
Sugar		
Fruit		
Coffee		
Cross-sectoral		
Paraguay		
Beef		
Soy		
Uruguay		
Beef (traceability)		
Fruit and vegetables		

Source: Own compilation.

Beef. The Global Roundtable for Sustainable Beef (GRSB) provides directives to advance the sustainability of the beef industry via increased stakeholder engagement and national roundtables. All Mercosur countries participate and have applied GRSB's voluntary guidelines. In addition, several private-based initiatives on sustainable beef production exist, aiming primarily at limiting deforestation. In *Brazil*, the Nature Conservancy (TNC), an American NGO, has implemented a pilot project at a communal level, coordinating different policy levels and approaches. One sectoral measure of this programme is to either reduce land-use of cattle husbandry or substitute the production to cocoa (case study 2 on São Félix do Xingu in chapter 2.2.).

Additionally, several programmes and guidelines are initiated by relevant actors in the value chain, such as the slaughtering and packaging industry: In 2009, respective companies signed the Terms of Adjustment and Conduct (TAC). This is a voluntary commitment not to purchase beef from illegally deforested areas and to blacklist actors or farmers delivering animals from these areas. Such a commitment was even strengthened by the G4-Agreement of the four leading beef processors (JBS – the global largest meat supplier – Bertin, Minerva, Marfrig). This required CAR registration as a condition for purchase was even independent of the actual deforestation status. (Varns et al., 2018, p. 6).

Another relevant sector defining guidelines to promote sustainable beef production has been the financial sector. Santander, Itaú and Bradesco started in 2020 a Ten Actions Plan for the Amazon. This has the aim of zero deforestation in the beef sector and includes investment in related sustainable infrastructure (Santander, 2021) and the inclusion of indigenous communities in economic activities.

A significant requirement if deforestation is to be comprehensively avoided along the whole value chain is the remaining challenge of tracing cattle. This may become even more relevant for future bilateral trade due to the envisaged EU's provisions on due diligence and halting deforestation, which is based on traceability rules. In *Brazil*, a complete tracing to the origin of single animals is missing. In *Uruguay*, in contrast, a corresponding domestic legal system on traceability for individual cattle using ear-tags is in place (IICA, 2009).

Soy. So far, less than 5 % of global soy production is certified (Cabezas et al., 2019). The bulk originates from *Brazil*, but overall quantities are still low. An important *Brazilian scheme* is the Amazon soy moratorium of 2019, a private sector initiative that ensures no extension of planting in the Amazon region. The moratorium did not stop deforestation but reduced it to a large extent, mainly in the decade 2006-2016 (Freitas et al., 2018; Rausch and Gibbs, 2021). Another initiative is the Voluntary Sustainability Standards (VSS) Platform (INMETRO, 2021), that enhances transparency as well as helps producers and traders by providing information of standards schemes required in export markets and to support their export opportunities. A similar scheme exists in *Argentina* with the 'Agroideal'-program for soy that avoids deforestation by prohibiting soy production in certain areas (IFPRI 2020, RTRS, 2016).

Sugarcane. The sector so far seems associated with deforestation in *Brazil* only at a marginal level, as more than 90 % of sugarcane is produced in non-forest areas (Bordonal et al., 2018). But there are recent concerns that the expansion of sugarcane production into dominantly soybean areas, such as in the state of Acre (Amazon region), can contribute to deforestation. This is due to a new government decree (Decree 10 084) from 2020, revoking a zoning regulation for sugarcane. NGOs are especially concerned that this may lead to the cultivation of sugarcane in the Amazon (Hofmeister, N., 2019). Private schemes such as Bonsucro Certification and Private Certification on Forests can help decrease this threat by enhancing transparency and complying with standards to support sustainability (Bonsucro, 2021, UNCTAD, 2021).

Fruit. *Argentina*, *Brazil*, and *Uruguay* actively participate in an OECD Committee that develops sector guidelines. In this framework, they contribute to – and apply – a set of agricultural guidelines on marketing standards like the one on food and vegetables (OECD, 2020). *Paraguay* is the only Mercosur country that does not participate in this scheme. In *Brazil*, the Partnership for Sustainable Orange Juice was founded

that addresses all relevant stakeholders (PANAQ, 2021). In addition, the Resilient Fruit Programme, an initiative of the Brazilian Association of the citrus industry, teaches good practices for sustainable production (Solidaridad, 2020). In 2018, the Rainforest Alliance, the leading general certification scheme addressing deforestation, launched a project in Brazil that covered 5 % of global orange juice production (Rainforest Alliance, 2021).

Coffee. Brazil is the world's primary supplier of coffee, accounting for one-third of global production (Maguire-Raipaul, V. et al., 2020). More than 50 % of Brazilian coffee production is certified by one of the leading private certifiers (4C, Fairtrade, Utz Kapeh Foundation, IFOAM Organic, Rain Forest Alliance) (IISD, 2014). The Brazilian Association of Coffee Industry implemented sustainability projects by developing different programs associated with international schemes, such as 'The Sustainable Coffee Programme' and 'The Organic Coffee Programme'. It also informs small producers on the formation of cooperatives to cover the high costs of certification. Most coffee producers are smallholders, with an estimated 9 % of Brazilian coffee farmers holding and cultivating less than 50 hectares (Maguire-Raipaul, V. et al., 2020). VSS programmes have also scaled up relatively well in Brazil's coffee sector (Hajjar et al., 2019).

Cross-sectoral. The schemes of the Rainforest Alliance also apply to the Mercosur countries (see example on orange juice). The Voluntary Sustainability Standards Certification aims at supporting the implementation of sustainable development in the certified production of agricultural goods. The Brazilian platform on VSS currently is focused mainly on agricultural products.

Recommendations on linking to public and private initiatives:

- **Use existing initiatives as docking points for a roadmap** on ongoing and future risks related to TSD issues and define timeline and milestones bilaterally,
- **Use bilateral dialogues proactively to specifically mainstream the inclusion of indigenous people.** This can be pursued in the agreement's different dialogues and exchange bodies, the domestic advisory group and other parallel bilateral formats like the German-Brazil Dialogue on agriculture that started in 2021.⁴¹ Existing national formats in the Mercosur countries should also be involved.
- **Strengthen networks to tap into local actors' experience especially on tracing systems** across Mercosur. This should build upon existing schemes, which for some sustainability issues differ across Mercosur countries. This is especially the case for improving traceability where relevant schemes diverge. It is in the interest of both trading partners to have effective traceability given the planned EU's due diligence and deforestation's schemes.
- **Enhance digital platforms** for local practices for both private and public actors like the 'beef on track' scheme and consider interlinking such schemes. Include indigenous people and their needs, thus encompassing contact options and experiences on hindering factors and possible solutions,
- **Identify scope for a joint-research hub** involving researchers and institutions from both sides (EU and Mercosur). This can support a common understanding of sustainability needs and help to identify risks and needs for technological cooperation. Experience with such formats, including exchange programs for researchers, exist in the MENA region as they have jointly established and financed agricultural research centres (International Centre for Advanced Mediterranean Agronomic Studies CIHEAM).

⁴¹ See AFC at <https://www.afci.de/fr/jobs/long-term-expert-german-brazilian-dialogue-agriculture-policy-apd>.

10.4 Case studies: Projects implementing sustainable development in Brazil

Several local initiatives and projects are ongoing in Brazil with different priorities, addressing sensitive sustainability issues relevant to the EUMETA and its potential effects. They can be used to engage in dialogues on good practices and identify supporting and hindering factors in achieving the goals on the TSD chapters and sustainability in general. Considering this experience may help to support the overall EU trade strategy's goal of enforcing the TSDs. It also helps the EU's initiatives on mandatory standards along the value chain under the envisaged legal provisions on due diligence and avoiding deforestation get a good start. Knowing the local effects and difficulties in the field is important if these new initiatives are to avoid unintended consequences, especially for small farmers who may find obligatory requirements too expensive.

The selected cases all began more than 20 years ago and the status of some is unknown. The highlighted characteristics, nevertheless, are important for establishing a successful and reliable implementation of sustainability together with local actors.

Figure 25 Location of selected cases



Based on ©Microsoft, TomTom.

10.4.1 Case 1: 'Instituto Terra': Reforestation and environmental education

The Instituto Terra, a non-profit civil organisation founded in the 1990s and still active, is located on the Doce River basin in the Southeastern region of Brazil (States of Minas Gerais and Espírito Santo, Figure 25).

The area. More than four million people live in this river basin and face the consequences of deforestation and unsustainable use of natural resources leading to soil erosion, water scarcity and water pollution (see the recent dam burst of the Doce River, for instance).

Project details. The primary goal is to reforest the area. The property originally was a degraded private cattle ranch of the founder of the NGO, Sebastião Salgado, an internationally acclaimed photographer (Gonçalves & Laruccia, 2016). He started the project with his wife by transforming the property into a private natural heritage reserve. This status protects the area for forests and from reversion into agriculture and attracts public credit facilities to keep the reserve (Instituto Terra, 2021).

Effectiveness. As a result of the activities over the past 14 years, a substantial amount of degraded areas and close to 2 000 springs are in the process of recovery. Altogether 2.7 million trees had been planted. (Instituto Terra, 2021). Of high importance for the efficiency of this project has been the environmental advocacy and an individual 'branding' by the testimonial of Sebastião Salgado who has run exhibitions of his photographs on the Amazonian Region, Atlantic Forest and indigenous people around the world and thereby spread awareness of sustainability. For its achievements and evidence of sustainable development in practice, the institute has been granted 21 Awards and Titles, including the 2009 Biosphere Reserve Outpost – MaB/UNESCO, the 2011 UN-Water Best Practices, the 2012 WWF-Brazil Environmental Personality Award, the UNESCO 2012 E-Award – Education Category and the 2017 Hugo Werneck Award – Honorable Mention ('Oscar of Ecology' Award). In 2019, the Instituto Terra headquarters welcomed about 10 000 visitors, who had the opportunity to see a section of the reforested area, bringing the total number of visitors to 139.236 (Instituto Terra, 2019).

Integration of stakeholder and local communities and compliance via education. Many local stakeholders in the area (including local school children) originating from 170 municipalities have started different initiatives on forest restoration, protection of springs, applied scientific research and environmental education. The research centre of the Instituto Terra is, besides addressing education and research, currently building up a genetic bank to preserve biodiversity in the region. Seeds can thus be provided to restore deforested rural properties in the Atlantic Forest region (Instituto Terra, 2021).

Funding and monitoring. The institute currently has over 200 funding institutions and partners, including universities, public and private actors, NGOs, national and international government authorities, and international financial institutions (Instituto Terra, 2021). A Governance Framework requires a scorecard to monitor strategic targets and annual activity reports demonstrate the current activities' transparently (Instituto Terra, 2021).

10.4.2 Case 2: 'Sao Felix do Xingu': Government-led comprehensive approach to limit land use and diversify cattle

This program has been initiated and supported since 2009 by the Nature Conservancy (TNC), an American NGO, in the municipality of São Félix do Xingu (SFX) in the State of Pará. It serves as one example of how to implement REDD+⁴² by involving public authorities and strong enforcement powers. This is different to classical publicly financed projects, which are not anchored directly within national legislation (Boyd et al.,

⁴² A second 'D' was added to include 'degradation', and it became a commitment on REDD (COP 2007). In COP 2013, a 'plus' was added to the acronym (REDD+), including poverty alleviation, biodiversity conservation and improved forest governance. Later, a second 'plus' was added (REDD++) to include emissions from other land conversions (e.g. agriculture) (UNFCCC-REDD, 2021).

2018). These so-called 'jurisdictional programmes,' which cover a wide range of socio-economic and political issues pertinent to land tenure and land-use demands, are becoming increasingly important particularly for REDD+. They usually involve different stakeholders to a different extent and are thought to be very effective due to the strict government enforcement rules.

The programme in SFX has been led by the municipality of SFX with support from the TNC. It started with limited participants as a pilot before expanding the project. The status is unknown since the latest information dates back to 2017.

The area: The municipality lies in the State of Pará, which lost around 10 % of its forests between 1975-2014 and having contributed to nearly 40 % of all deforestation in the Amazon in the last 20 years (Varns et al., 2018, p. 3). It's also one of Brazil's leading contributors to greenhouse gas emissions (ibid). SFX has the largest cattle population in Brazil with more than 2 million animals (ibid). The farm structure shows that only 10 % of farms in the region are of a size of >1000 ha but cover 70 % of the total private property, showing the sprawling land use of large farms. Besides intensive agriculture, other critical economic activities in the region include mining (Gebara, 2021).

Programme details: The relevant *jurisdictional elements* of the programme were: (1) a policy of embargoes on municipalities to limit further deforestation licenses, prohibit purchases and limit access to public funding for municipalities placed on the so-called priority lists (see chapter 2.2); (2) a municipalities' commitment to zero-deforestation; (3) the mandatory CAR registration, as a condition for getting re-listed from the priority; and (4) an environmental observatory to regularly monitor the status of deforestation and serve as a communication tool for the public.

Two *sector-based activities* are promoted: first, support for a sustainable supply chain on cattle. This limits pastureland for husbandry primarily by increasing productivity, i.e. using less hectare per animal (Varns et al. (2018), p. 20); second, the establishment of a cocoa agroforestry system, which combines planting cocoa within the surroundings of other trees for timber. Other crops such as cassava or maize can also be grown. On already degraded lands, such cocoa agroforestry can contribute to carbon sequestration.

Effectiveness. The role of government and binding approaches can be observed as key drivers in ending deforestation, above all the embargo policy. Sharp declines in deforestation could be observed. A first decline arose after the municipality put on the priority list in 2008 and a second after the CAR registration was introduced in 2009. The success of the scheme is also shown in the following results:

- *Deforestation* decreased by 80 % within three years after the municipality being put on the priority list. It has increased again after 2017 but has remained at a level of 30 % of its former rate. Registration rates have also increased by up to 87 %.
- After demonstrating success, the municipality was dropped from the priority list in 2011, and deforestation rates began to climb again in subsequent years (Varns et al, 2018, p.9), indicating that new initiatives need to be launched.
- *With regard to the sector initiatives* there was a net-income increase, for the cocoa for example with the limited number of 61 farmers involved increasing their income by 28 %. These also sequestered 11 000 tonnes of carbon per year. On the cattle intensification scheme the initial number of 16 properties nearly tripled to 42 participating properties. Ultimately these covered finally 47 000 animals and reduced 65 000 tonnes of carbon per year. The meat production out of these properties is assumed to have increased by up to 300 % but on less land than before.

Stakeholder involvement, including indigenous people. Different local actors have been engaged (for example, governmental actors from different regulatory levels, smallholders, medium-and large-scale farmers and indigenous people). The indigenous communities were also supported in the marketing of products like nuts and thus benefitted from increased income.

Sustainable Funding. The funding for the project has been provided by different private and public, national, and international organisations, such as the Bank of America, the Amazon Fund, USAID, the Norwegian International Climate and Forest Initiative and the British Embassy (Gebara, 2021).

Monitoring. A municipal environmental observatory was established in 2013 with the support of TNC and the Ministry of Environment. This compiles diverse data sets on properties and land use in SFX, allowing for improved planning and licensing processes of agricultural activities. Local actors received additional training on how to use and apply the data.

This case shows that even when benefits reflect local demands, they may not be sufficient to achieve transformational change' (Gebara, 2021). Further action may be required to enable 'policy space' that could include 'command and control' and economic incentives or penalties. According to Gebara (2021), the pilot project also demonstrates how REDD+ had to be re-adapted to ensure the preservation of forests and regional development on a larger scale, thus suggesting that frameworks with broader and different goals in addition to limited mitigation of climate change as well as results-based funding might shape outcomes beyond REDD+ (Gebara, 2021).

These two very different cases suggest some general criteria for success for locally implemented sustainable development. These may serve as docking points for gathering further information on success factors on the ground.

Recommendations regarding synergies with local initiatives:

- **Support overarching and multi-level approaches,** as policies on narrower goals like zero-deforestation seem less effective. Rather different coordinated approaches are needed that bring in multiple activities and actors from the start.
- **Search for strong locally based commitments.** The cases show that success can be aided when schemes are backed by government with strong enforcement powers and penalties supported by strong and involved individuals. In any case local docking with key actors within the regions seems relevant to identifying and addressing specific needs.
- **Support involvement of different locally affected stakeholders,** mainly indigenous and local communities. The different foreseen dialogues in the agreement and a domestic advisory group should consider the participation of the relevant existing indigenous formats such as the Brazilian national parliamentary working group. Other bilateral dialogues like the recent German-Brazilian dialogue initiated by the two Ministries on agriculture can also be considered.⁴³

11 The role of the European Parliament and civil society

Parliament provides for distinct bodies, procedures and interparliamentary networks for hammering out its demands and positions with regard to the development of the EU's trade policy. This section will analyse the EUMEEA's institutional provisions against the backdrop of the European Parliament's reports, resolutions and questions. We will detail the development of Parliament's positioning over time. Moreover, the section will take a closer look into the agreement's provision with regard to civil society engagement and the envisaged links between the Civil Society Forum and other institutions.

⁴³ AFC, available at <https://www.afci.de/fr/jobs/long-term-expert-german-brazilian-dialogue-agriculture-policy-apd>

11.1 The positioning of the European Parliament

The European Parliament has always been able and willing to develop, to discuss and to address policy proposals. In this regard, Parliament's Own-Initiative-reports (INI) and resolutions are important instruments. They reflect MEP's free mandate. INI reports are an indicator for measuring the interest of MEP's in using different, legislative and non-legislative, scrutiny instruments offered to Parliament. INI reports and resolutions are a key of Parliament's representation or interaction function. They effectively reflect awareness and interest of individual MEP's in making an issue public to the outside world – towards the Union's citizenry but also towards the Council and the Commission. While Parliament has no formal power to initiate a legislative proposal, it is able to shape the EU policy arena by other, informal means. Such informal or indirect agenda-setting ability becomes traceable 'when actors are able to raise the saliency of an issue and foster public and/or elite support for policy action' (Kreppel/Webb 2019). Parliamentary agenda-setting could be defined as the continuing process through which public issues are transformed into parliamentary debate, receive attention, and priority. In this sense, agenda-setting is an exercise of hierarchising and prioritising potential conflict, perceptions and solutions (Maurer 2002; Baumgartner/ Green-Pedersen/Jones 2006; Rasch/Tsebelis, 2011; Romer/Rosenthal 1978). In 1983, the European Court of Justice confirmed the right for Parliament 'to discuss any question concerning the communities, to adopt resolutions on such questions and to invite the governments to act'. Similarly, in 2005, the Statute of Members confirmed that 'the right of initiative referred to in Art. 5 is the key right of every Member.' Art. 5 continued the argument and clarified that 'each Member shall be entitled to table proposals for Community acts in the context of Parliament's right of initiative'.

Regarding the EU's international trade policy, Parliament's INI reports and resolutions are important instruments to compensate for the lack of mandating rights of the parliament. Parliament therefore uses its instrument of INI reports to shape the EU's agenda for trade agreements.

The Lisbon Treaty upgraded the EP's position in the area of the EU's trade policy considerably (Devuyst 2013; Maurer 2015). According to Art. 207(2) TFEU, Parliament and Council now act as co-legislators on an equal footing when determining the framework for implementing the CCP. As a consequence, EU measures that are geared to implement trade agreement chapters such as safeguard clauses are subject to the OLP, which allows Parliament to link its consent to the agreement with EU internal rules for implementation.

The Lisbon Treaty provided substantial changes in the area of CCP and for Parliament's powers and responsibility:

- According to Art. 207(2) TFEU Parliament and Council now act as co-legislators on an equal footing when determining the framework for implementing the CCP.
- The substance of the CCP is extended and not only covers goods, services, and the commercial aspects of intellectual property, but also foreign direct investment.
- Parliament's consent is required for the conclusion of all trade agreements.
- The Treaty also establishes Parliament as a co-legislator in the field of economic, financial and technical cooperation measures, including assistance, in particular financial assistance, with third countries other than developing countries (Art. 212 (1) TFEU).
- The Treaty establishes a legally binding obligation for the Commission to keep Parliament regularly informed on on-going negotiations, with the same degree of information that it provides to the special committee appointed by the Council (Trade Policy Committee – TPC).

These provisions substantially reinforce Parliament's profile as the EU's only directly elected institution that legitimises those parts of the EU's external policy, which are defined as an exclusive competence of the Union.

In the following we will summarise Parliament's positions on the EUMETA and EUMEEA within the procedural frameworks of the consultation, the consent, and the ordinary legislative procedures. We base our findings on the data provided by EURLEX and Parliament's OEIL. As Parliament's agenda-setting power is linked to its control and interaction functions, we also provide for an overview on written and oral questions towards the Commission and the Council with regard to the EUMETA/EUMEEA. In contrast to INI reports and resolutions, Parliament's traditional instruments for holding other institutions to account – parliamentary questions – are oriented towards the single MEP and political groups. Questions are one of the 'freest procedures in modern legislatures'. They 'give the individual MEP an excellent chance of promoting and defending those issues which he or she regards important' (Raunio 1996: 357). In other terms, questions also serve MEP to present or to defend their perceived constituency's interest. Our analysis will rely on Parliament's questions website.

Table 25 Parliamentary proceedings in relation to the EUMETA/EUMEEA FTA (1992-2021)

Type	No of documents
Questions	1999-2004: 35 2004-2009: 28 2009-2014: 163 2014-2019: 134 2019-June 2021: 64
Ordinary legislative procedures	2
Special legislative procedures	5
INI reports and resolutions	32
EP internal procedures	3

Source: Own compilation based on OEIL and the European Parliament's database on question.

Mercosur and the EU signed an Framework Cooperation Agreement on 15 December 1995, which was thought to develop as a precursor to the signing of a Free Trade Agreement. However, the respective negotiations were complicated, since the EU's negotiating partners were not Mercosur, but the states of Argentina, Brazil, Paraguay and Uruguay, where the changing Argentine and Brazilian governments often took incompatible political positions, so that reaching an understanding within Mercosur was difficult to reach. On 17 September 1999, the Council adopted the negotiating directives for the conclusion of an Interregional Association Agreement between the EU and Mercosur. Negotiations continued until 2004. A major bone of contention remained access to the European market for agricultural products from Mercosur countries. Since 2004, negotiations shifted to the technical level, and a deepening of the negotiations was only expected if the WTO's Doha Round, which had been suspended at that time, was successful. However, the wait for the Doha Round did not live up to expectations, and it was deemed to have failed in 2016. Therefore, in 2017, the European Commission proposed Parliament and the Council to restart negotiations with Mercosur on the basis of a renewed mandate. At the end of June 2019, the agreement in principle was reached on the trade part of the FTA. While representatives of European business and industry associations welcomed the agreement as it would increase companies' sales opportunities, farmers' associations heavily criticised the agreement, fearing a distortion of competition to the disadvantage of European farms. Environmental NGOs expressed their concerns that the agreement could lead to a further increase in the clearing of the rainforest in the Amazon region.

The negotiated draft EUMETA encountered opposition in early 2020 in Austria, France, Luxembourg,⁴⁴ Ireland and some other countries.⁴⁵ On 12 January 2020, Austria asked the Commission to renegotiate the agreement.⁴⁶ This was later reiterated.⁴⁷ France indicated that it would not vote on the text as it stands and asked the Commission to provide for additional conditions regarding forestry and deforestation. In addition, France proposed to set up a 'European mechanism to block the import of products manufactured using forced labour'. National or regional parliaments in Ireland, Austria and Belgium also adopted (non-binding) resolutions rejecting the agreement.

By February 2021, several NGOs and non-profit organisations spoke out against the EU's proposed deal with Mercosur countries. They put forward three major criticisms. The agreement would contradict the three basic principles of the European Green Deal, which stipulates that no net greenhouse gas will be released by 2050. However, beef and soy cattle feed from the Mercosur bloc would cause huge emissions, especially when rainforests were cleared for production. Moreover, the EUMETA would lead to economic growth of the Mercosur bloc at the expense of natural habitats and climate protection. Finally, NGOs argued that the agreement would contribute to considerable interregional socio-economic inequalities in the Mercosur bloc, as it was negotiated without the involvement of local populations and indigenous communities.

What all critical attitudes have in common is their focus on the scope of the EUMETA's trade and sustainable development (TSD) chapter. It is criticised as being too limited, and its enforcement mechanisms too weak. Like in other, recent EU FTAs, disputes under TSD chapters are exempted from the general dispute settlement mechanism. The EUMETA follows this 'path' of TSD chapters in FTAs negotiated by the EU, developed over the last 10 years. It relies on a relatively weak mechanism with monitoring by and consultation of a joint TSD sub-committee, civil society domestic advisory groups and a panel of experts. As a result of the sometimes harsh criticism of the EUMETA, in May 2020, Dutch and French Trade ministers published a non-paper that calls the EU to increase its ambition regarding the nexus between trade and sustainable development in all its dimensions, consistent with the implementation of the European Green

⁴⁴ See: Gouvernement du Luxembourg: Accord commercial UE-Mercosur – Déclaration de Jean Asselborn, ministre en charge du commerce international, 25 août 2019.

https://gouvernement.lu/fr/actualites/toutes_actualites/communiqués/2019/08-août/25-asselborn-mercotur.html.

⁴⁵ See e.g. Slovak Republic: Ministry of Agriculture and Rural Development of the Slovak Republic: 'Matečná: Sme pripravení blokovať obchodnú dohodu s krajinami Južnej Ameriky' (=Matečná: We are ready to block the trade agreement with South American countries), 28.08.2019. <https://www.mpsr.sk/sk/?navID=1&id=14642>; Belgium: Parlement Wallon: « Motion déposée en conclusion de l'interpellation de Monsieur Luperto à Monsieur Di Rupo, Ministre-Président du Gouvernement wallon, sur « le traité entre l'Union européenne et le Mercosur », 5 février 2020. http://nautilus.parlement-wallon.be/Archives/2019_2020/MOTION/102_4.pdf; Netherlands: Tweede Kamer der Staten-Generaal: Gewijzigde motie van het lid Ouwehand C.S. ter vervanging van die gedrukt oder Nr. 1517, Kamerstukken II, vergaderjaar 2019-2020, 35 154, nr. 13; Kamerstukken II, vergaderjaar 2019-2020, 34 952, nr. 101.

The Government programme for 2020-2024 was adopted on 2 January 2020. It included an extensive paragraph on the development of the EU's CCP. The parties agreed to 'support an EU trade policy that advocates comprehensive international trade agreements. Austria resolutely opposes protectionist tendencies at European and international level. A proactive multilateral EU trade policy and the deepening of bilateral and regional trade relations have priority. [...] In all negotiations on trade agreements, in addition to transparency and democratic control, we demand that export agreements benefit our domestic companies, workers and consumers in Austria. It is particularly important for us to maintain high Austrian environmental, consumer protection and food standards as well as transparency and traceability in the supply chains. Trade agreements must guarantee enforceable standards for social rights, public services, environmental and climate protection as well as against deforestation, social dumping and land speculation. With full transparency guaranteed, new agreements should also be able to be concluded more quickly. Reject the MERCOSUR trade agreement in its current form.' See: Aus Verantwortung für Österreich. Regierungsprogramm 2020-2024. Wien (author's own translation).

https://www.wienerzeitung.at/em_daten/wzo/2020/01/02/200102-1510_regierungsprogramm_2020_gesamt.pdf.

⁴⁷ See:

https://extranet.greens-efa.eu/public/media/file/1/6813?link_id=2&can_id=24c37823c1175f19d00c0d25ea597579-amp;source=email-osterreich-lehnt-unterzeichnung-des-mercotur-abkommens-ab-zitat-von-thomas-waitz&email_referrer=email_1100721&email_subject=sterreich-lehnt-unterzeichnung-des-mercotur-abkommens-ab-zitat-von-thomas-waitz.

New Deal. The non-paper forwards a more streamlined EU notification mechanism to respond to possible breaches of TSD-commitments that would facilitate the Chief Trade Enforcement Officer's work on TSD. Moreover, France and the Netherlands proposed to incentivize effective TSD implementation by rewarding partner countries that live up to the deal's commitments: 'Parties should introduce, where relevant, staged implementation of tariff reduction linked to the effective implementation of TSD provisions and clarify what conditions countries are expected to meet for these reductions, including the possibility of withdrawal of those specific tariff lines in the event of a breach of those provisions. This approach would allow the EU to bear the fruits of its cooperative approach, while strengthening enforcement' (France/Netherlands, 8 May 2020).

Reacting to these developments, the European Parliament, in its resolution of 26 November 2020 on the EU Trade Policy Review, called to ensure a follow-up on proposals issued by Domestic Advisory Groups for improving the EU's international trade policy, and to increase transparency and improve awareness among citizens, non-governmental organisations, trade unions, and businesses, especially SMEs. Members therefore recalled the importance of the rights of the European Parliament according to Art. 207 and 218 TFEU and of the inter-institutional dialogue to achieve a positive conclusion. In addition, Parliament recalled the commitments made by the President of the Commission in support of Parliament's legislative initiative (INL) resolutions under Art. 225 of the TFEU.⁴⁸ In the following section, we present a synthesis of Parliament's demands regarding trade relations with the Mercosur and its member states. Parliament expressed its support for the Franco-Dutch approach and called on the Commission to explore a sanctions-based mechanism as a last resort. The resolution, adopted by 593 votes to 50, with 50 abstentions, welcomed Commissioner for Trade Dombrovskis' commitment to bring forward a review of the 15-point Action Plan on TSD Chapters and invited the Commission to explore the ideas in the Franco-Dutch non-paper to 'incorporate more granularity into the enforcement of these chapters'. Moreover, Parliament welcomed the Commission's commitment to make compliance with the Paris climate agreement an essential part of all future trade agreements, and called for complementary measures such as banning the importation of products linked to severe human rights violations, such as forced labour or child labour (European Parliament, 26 November 2020).

How did the European Parliament's position develop over the years? We have explored its positioning since 1995, when it considered the EC/Mercosur interregional framework cooperation agreement. In its preparatory INI report on 'EU/Mercosur relations: strengthening of the policy' (European Parliament 1994/2159(COS)), Parliament expressed its support of the strategy agreed in the EU/Mercosur solemn declaration of 22 December 1994, which sought to achieve political and economic association between the parties in two stages: a preparatory stage leading to an interregional economic and commercial framework cooperation agreement, and a final stage that would culminate in an association based on closer political cooperation, gradual and reciprocal liberalisation of all forms of trade (taking account of the sensitivity of certain products and WTO rules), the promotion of investments and stronger cooperation. Parliament also supported the fact that the Member States of Mercosur would be able to continue to benefit from the Generalised System of Preferences (GSP) and called on the countries to sign up to the WTO agreement on public procurement. Regarding the issue of institutionalising political dialogue with Mercosur, Parliament proposed to strengthen trade, to develop a strategy on operating standards within international bodies (intellectual property, telecommunications), and to align the positions of Mercosur and the EU on all questions relating to security. Not surprisingly, Parliament insisted on receiving regular information on EU-Mercosur negotiations on the framework cooperation agreement and called on the

⁴⁸ In this regard, see: European Parliament resolution of 22 October 2020 with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation (2020/2006(INL)), and European Parliament resolution of 10 March 2021 with recommendations to the Commission on corporate due diligence and corporate accountability (2020/2129(INL)).

Commission and the Council to take account of the priorities defined in its resolution when concluding the agreement. Finally, Parliament called for political dialogue at parliamentary level between it and the members of the Mercosur interparliamentary delegation to be included in the institutional provisions of the framework agreement. Based on the then Art. 113, 130Y, and 228 TEC, Parliament then approved the conclusion of the framework agreement. Already here, Parliament did not only focus on the issues of economic development and trade, but it also welcomed the fact that the agreement attached special importance to respect for democratic principles and human rights. However, it also criticised the absence of any explicit reference to parliamentary dialogue (European Parliament 1995/0261(CNS)). Since then, Parliament dealt with the relations between the EU and Mercosur several times and adopted more than 30 resolutions touching or concentrating on the negotiations towards the EUMETA/EUMEEA. The reports that help to understand Parliament's positioning regarding the negotiations were:

- The INI report on the proposal for a recommendation on the negotiating mandate for an inter-regional association agreement with Mercosur (2001/2018(INI)) of 1 March 2001,
- The INI report on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement (2006/2035(INI)) of 12 October 2006,
- The resolution on Negotiations on an Interregional Association Agreement with Mercosur and the new bilateral strategic partnership with Brazil (2007/2625(RSP)) of 25 September 2007,
- The resolution on implications for EU agriculture of the reopening of negotiations with Mercosur (2010/2732(RSP)) of 8 July 2010,
- The – highly critical – resolution on EU agriculture and international trade (2010/2110(INI)) of 8 March 2011, and
- The resolution on trade negotiations between the EU and Mercosur (2012/2924(RSP)) of 17 January 2013.

While these resolutions focused almost exclusively on the trade agreement with Mercosur, Parliament also dealt with relevant sub-issues, conditions and demands in the framework of its resolutions on the EU's relations with Latin America, on the implementation of the EU's trade, foreign and development policies. In addition, Parliament also included references to Mercosur and the envisaged agreement in policy area-specific resolutions in the areas of agricultural, social and employment, and international justice policies.

Already in its relatively short 2013 resolution on trade negotiations between the EU and Mercosur (2012/2924(RSP)) adopted by 284 votes to 87 with 7 abstentions), Parliament stressed the economic and political importance of the agreement and reiterated the importance of the respect for democratic principles, fundamental and human rights and the rule of law as well as environmental and social standards, in order to achieve greater coherence in external actions, both reflecting the EU's economic interests and promoting its fundamental values.

Taken together, the position of Parliament regarding the EUMETA/EUMEEA is coined by the following key propositions:

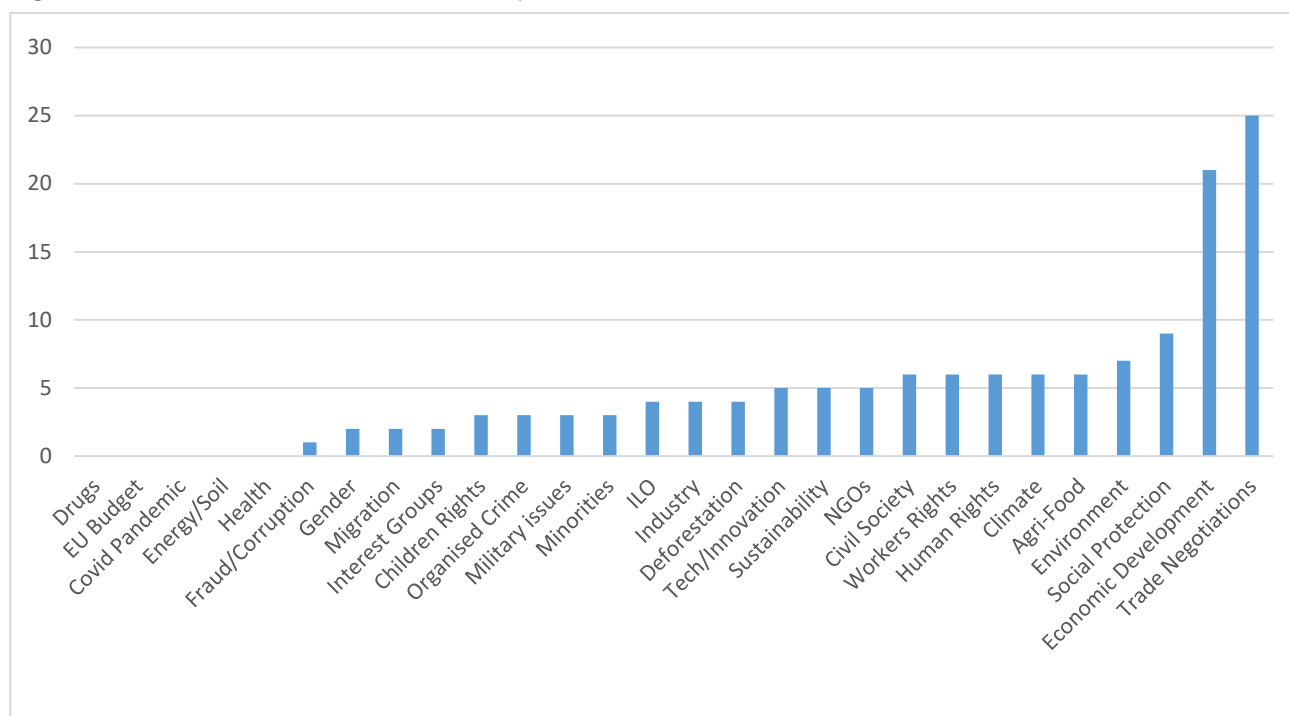
- Parliament generally supports reciprocal liberalisation of all forms of trade, the promotion of investments and stronger cooperation. The EUMEEA should incorporate a political and institutional chapter reinforcing democratic dialogue and political cooperation, a cooperation chapter promoting sustainable economic and social development, and a trade chapter (the EUMETA) establishing an advanced free-trade area with a broad agenda and a binding dispute settlement mechanism. In this perspective, the resolution on 'EU political relations with Latin America' (2017/2027(INI)) forwards to speed up EU-Mercosur negotiations in order to get a comprehensive, balanced and mutually beneficial association agreement that includes rules on corporate responsibility and clauses safeguarding human rights and social rights.

- Institutionally, Parliament proposes that political dialogue at parliamentary level between it and the members of the Mercosur parliament should be included in the institutional provisions of the agreement. In this regard, Parliament criticised the absence of any explicit reference to parliamentary dialogue in the framework agreement.
- Regarding the highly controversial sustainability and human rights provisions, Parliament originally welcomed the fact that the framework agreement attached special importance to respect for democratic principles and human rights. Parliament forwarded that the negotiating guidelines should include the necessary practical mechanisms to ensure that provisions of the future agreement are fully adjusted to key provisions of the Union Treaty: the encouragement of international cooperation, the development and consolidation of democracy, the rule of law and respect for human rights, the principle of economic and social cohesion, and the reduction of inequalities between sectors of society and within regions. Since 2009, Parliament emphasized its key principles expressed in the resolutions on human rights, social and environmental standards in international trade agreements (A7-0312/2011), on corporate social responsibility in international trade agreements (A7-0317/2010) and on international trade policy in the context of climate change imperatives (2010/2103(INI)) respectively to be horizontally taken into account. In this regard, Parliament also called for the inclusion of social, environmental standards and human rights as legally binding clauses in all FTAs. Consequently, the EUMETA should also take account of the social dimension, decent work and the recommendations of SIA studies in bilateral and regional trade negotiations.
- Already the 2011 Parliament considered the provisions on the agriculture and food industry sector a potentially sensitive topic. Members therefore argued at an early stage that agricultural imports should be allowed into the EU only if they have been produced in a manner consistent with European consumer protection, animal welfare and environmental protection standards and minimum social standards. Parliament further called on the Commission to safeguard the interests of European producers in negotiations with Mercosur by avoiding any concessions that could put EU livestock production at risk. Parliament's concerns culminated in INTA's 2011 report on 'EU agriculture and international trade' (2010/2110(INI)). Considering it unacceptable that the Commission resumed negotiations with Mercosur without making publicly available a detailed impact assessment, Parliament urged the Commission to provide a detailed IA taking into account the effects on specific segments of the market arising from the opening up of EU agricultural markets to the Mercosur trade bloc. Members expressed their deep concerns about the impacts on the EU agricultural sector as a whole of a possible association agreement with Mercosur, given the request made by Mercosur in March 2006 for access to the EU agricultural market. They also expressed their concerns about farm businesses in Mercosur countries having much lower production costs, including land, labour and other capital costs, and that Mercosur producers do not have to meet the same standards as EU producers, with regard to the environment, animal welfare, food safety and phytosanitary measures. Parliament therefore emphasised that a balanced outcome for both parties must be achieved by making sure that the negotiations take full account of consequences and impacts, in particular on environmental and social challenges.
- Regarding the controversy on the agreement's trade and sustainable development (TSD) chapter, the INTA Committee held a specific public hearing with a panel of experts on 25 February 2021. While the majority of Parliament largely shared the expected trade benefits, Parliament also expressed concerns that the Mercosur Agreement may not deliver enough with regard to sustainability, in particular related to forestry and climate action. In this context,

it is important to recall the remarks made by Valdis Dombrovskis at his hearing before INTA as candidate for the post of Trade Commissioner on 2 October 2020. He argued that an additional effort from the Mercosur countries is needed, before the Agreement can be sent to Parliament. In a speech held at a joint seminar of BusinessEurope and the Portuguese Council Presidency on 30 April 2021, he renewed this promise and said that the EU is seeking meaningful commitments on climate change and deforestation from Brazil and other Mercosur countries by the end of 2021 to push forward a trade agreement.⁴⁹ Against the background of these developments, the explicitly expressed concerns and the implied rejection of the agreement by government leaders in Austria, France, the Netherlands, and Ireland, discussions between the EU and the Mercosur countries on possible pre-ratification commitments are currently ongoing.

Parliament's position and issue-specific focus regarding the negotiations for the EUMEEA developed over time. Figure 26 provides for a general overview of key issues featured in Parliament's resolutions. Accordingly, Parliament concentrated on two major issues – the negotiations themselves and the issue of sound economic development. Concerns regarding the EUMETA's impact on social protection and the environment also rank relatively high on the agenda. They are followed by considerations relating to agriculture and food, climate change, human rights, labour and workers' rights as well as the issue of how to incorporate civil society in the implementation of the agreement.

Figure 26 Content focus of Parliament's INI reports and resolutions



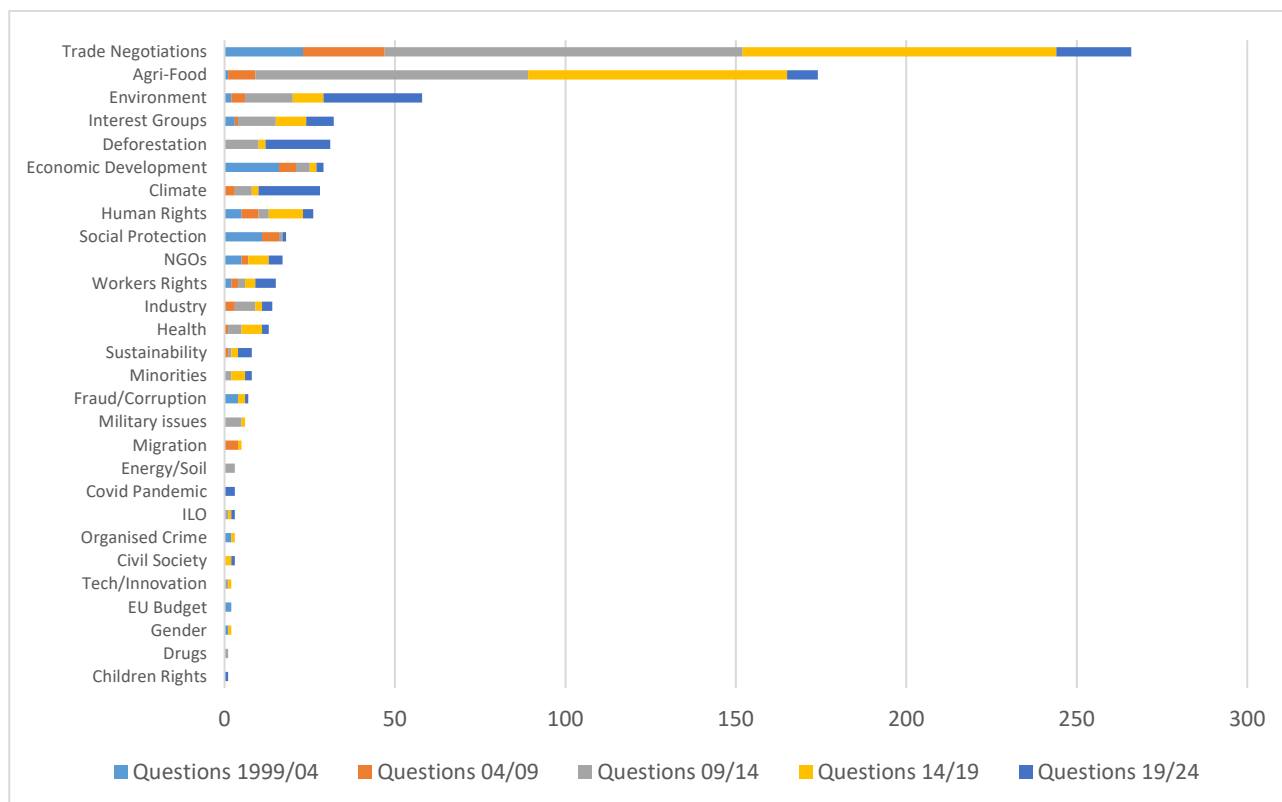
Source: Author's own analysis and calculation based on OEIL and the European Parliament's historical archives. Note: As to the key terms 'Interest groups', 'NGO's', 'Civil Society', we did not qualify or summed up terms into special term groups, but recorded them as they were listed in the respective parliamentary documents.

Turning our view to the Parliament's questions, Figure 27 only partly confirms our findings on the resolutions. While the most important issue addressed in questions was also linked to the process and management of the negotiations, individual MEP and political groups attached more importance to the issue of agriculture and food. Both topics experienced a strong boom, especially in the last legislative period. Topics in the field of environmental policy and human rights were also strongly represented in the period 2014-

⁴⁹ See: video-stream at <https://www.youtube.com/watch?v=0etbtI57Azs>, minute 37:50.

2019, albeit at a lower level than the first two blocks of topics mentioned. In contrast, deforestation and climate policy, which have become prominent in recent years in connection with criticism of the outcome of the negotiations, have only developed into strongly requested fields in the current legislative period. The relationship between the relative importance that MEPs attach to the respective issues becomes clear when looking at Figure 28.

Figure 27 European Parliament questions with regard to the EU-Mercosur agreement 1991-2021



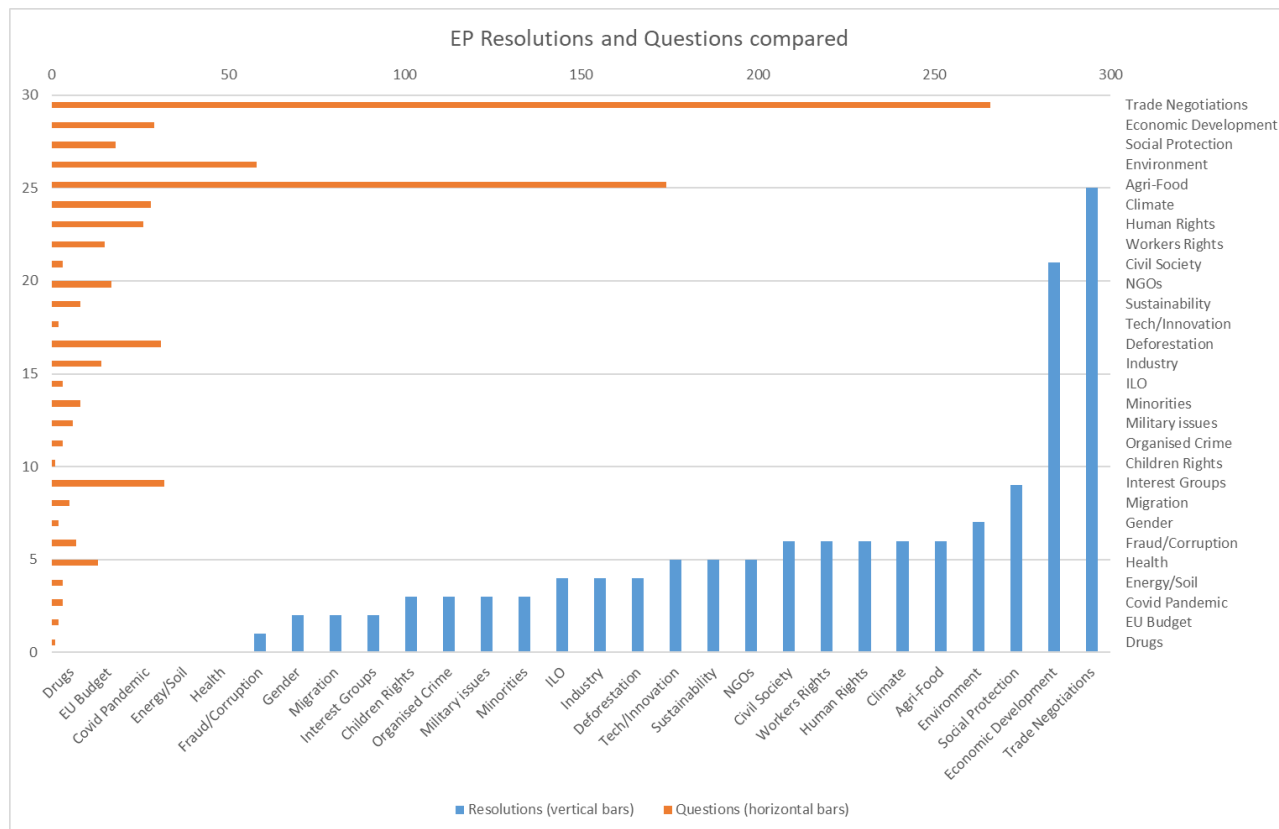
Source: Author's own analysis and calculation based on the European Parliament's specific website <https://www.europarl.europa.eu/plenary/en/parliamentary-questions.html>. As to the key terms 'Interest groups', 'NGO's', 'Civil Society', we did not qualify or summed up terms into special term groups, but recorded them as they were listed in the respective parliamentary documents.

Parliament's recent resolution of 26 November 2020 on the EU Trade Policy Review (2020/2761(RSP)) reaffirmed these key priorities and added several demands with regard to the ongoing negotiations for FTAs: First, they should include dedicated chapters on the use of FTAs by SMEs, without adding unnecessary burden on them. Secondly, the enforceability of TSD chapters should be significantly improved through a sanctions-based mechanism as a last resort. Thirdly, both the Commission and the – mandating – Council should promote and support the inclusion of a dedicated gender chapter in trade and investment agreements. Finally, in view of implementing FTAs internally and clarifying the EU's internal benchmarks, Parliament calls for accompanying, binding legislation in three fields:

- (1) Mandatory EU-level horizontal due diligence throughout the supply chain for EU and foreign companies operating within the single market to achieve the SDGs, to promote good governance, to increase traceability and accountability in global supply chains, to strengthen Europe's international competitiveness by creating a level playing field, and to mitigate unfair competitive advantages of third countries resulting from lower protection standards and social and environmental dumping in international trade; stresses the need to consider the risk of harm and the size of the company while bearing in mind the principle of proportionality.
- (2) A carbon border adjustment mechanism fully WTO compatible.

- (3) Complementary measures such as banning the importation of products linked to severe human rights violations such as forced labour or child labour.

Figure 28 Parliament's resolutions and questions compared



Thematic codes	Resolutions	Questions Sum
Drugs	0	1
EU Budget	0	2
Covid Pandemic	0	3
Energy/Soil	0	3
Health	0	13
Fraud/Corruption	1	7
Gender	2	2
Migration	2	5
Interest Groups	2	32
Children Rights	3	1
Organised Crime	3	3
Military issues	3	6
Minorities / Indigenous peoples	3	8
ILO	4	3
Industry	4	14
Deforestation	4	31
Technology / Innovation	5	2
Sustainability	5	8
NGOs	5	17
Civil Society	6	3
Workers Rights	6	15
Human Rights	6	26
Climate	6	28
Agri-Food	6	174
Environment	7	58
Social Protection	9	18
Economic Development	21	29
Trade Negotiations	25	266

Source: European Parliament resolutions and questions.

Against this background, the next section will analyse the proposed institutional structure of the EUMEAA and different ways of and means for participation of civil society organisations and social partners in the implementation and scrutiny of the EUMETA. We will first synthesise the agreement's provisions that facilitate participation and consultation of parliaments and civil society, interest groups and social partners. For further evaluating these provisions, we draw on respective requests by civil society, social partners and their umbrella organisations, the EESC, Parliament, its political groups and individual MEPs.

The EUMEAA provides for a distinct institutional framework as the basis of the Inter-Regional Association. In addition, the EUMETA chapters provide information regarding many additional sub-structures established for implementing parts of the agreement. On the other hand, however, the institutional structure for leading and guiding the implementation of the agreement remains under disclosure.

11.2 The institutional structure of the Agreement

The highest level of political and policy dialogue will be at **Summit level**. Summits shall be held as necessary as mutually agreed. They shall evaluate progress in the implementation of the agreement and set out the objectives for its future evolution.

Regarding the day-to-day management of the agreement, an **Association Council** at ministerial level shall oversee the fulfilment of the objectives of the agreement and supervise its implementation. It shall meet at regular intervals, at least on a biennial basis to examine proposals and recommendations and to take decisions on the interpretation of provisions, and to make appropriate recommendations. The Association Council will be assisted by an **Association Committee**, composed of representatives at senior official level. It may decide to set up **Sub-Committees** or other bodies to assist in the exercise of its functions and to address specific tasks or subject matters. Furthermore, the Association Committee may decide to change the tasks assigned to or to dissolve any Sub-Committees or other structure set up for these purposes.

The Sub-Committees shall report on their activities to the Association Committee. So-called 'Sub-Committees established for trade and trade-related matters' shall report to the Association Committee in its specific trade composition, while a 'Sub-Committee for Development and International Cooperation' shall promote, coordinate the presentation and supervise the implementation of cooperation activities foreseen by EUMETA as well as the follow-up, monitoring, and evaluation of the cooperation initiatives.

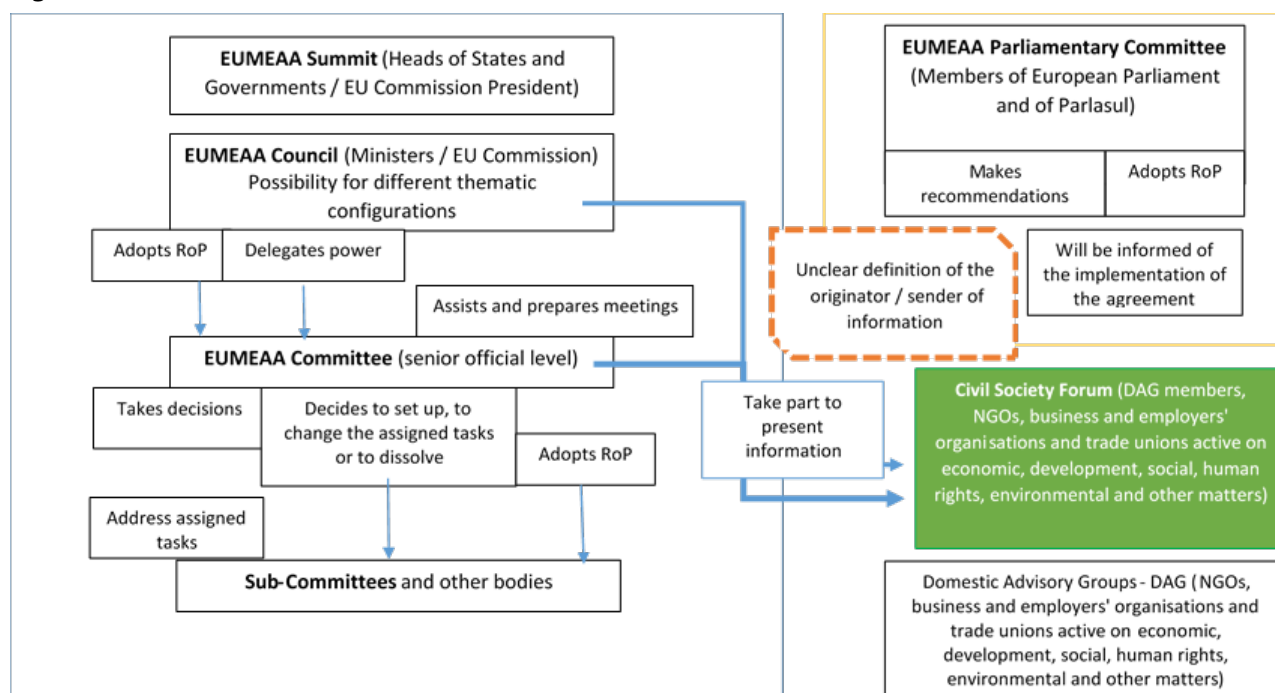
11.3 The Parliamentary Committee

The agreement further establishes the **Association Parliamentary Committee** to foster closer relations and ensure regular dialogue between the European Parliament and the Parliament of Mercosur. The Committee shall meet at intervals, which it shall itself determine.

The EUMEAA's Association Parliamentary Committee will be authorised to discuss and issue recommendations to the Association Council. In addition, the Association Parliamentary Committee will be informed of the implementation of this agreement. However, the agreement does not define a specific sender-recipient relationship. The passive formulation thus leaves it open which institution can, should or must inform the Parliamentary Committee at what time, at what intervals and against the background of what consequences. The EUMEAA and the EUMETA may not confer on the Parliamentary Committee any tasks or rights beyond the right to information and the general right of self-referral and –empowerment (limited to the right to adopt its Rules of Procedure). Furthermore, the EUMETA does not establish any specific supervision by the Parliamentary Committee over bodies with executive functions and their subordinate working levels (Association Council, Association Committee, Sub-Committees and Working Groups). Formally, this form of loose, only mediated coupling of executives and parliaments may satisfy the demands of the TEU and the TFEU with regard to their democratic-political norms.

Table 26 Provisions of the EU-Central America AA and the EU-Chile-AA regarding the Parliamentary Committee

EU-Central America AA (2012)	EU-Chile AA (2002)
<p>Article 9</p> <p>The Association Parliamentary Committee may request of the Association Council relevant information regarding the implementation of this Agreement. The Association Council shall supply the Committee with the requested information.</p> <p>The Association Parliamentary Committee shall be informed of the decisions and recommendations of the Association Council.</p> <p>The Association Parliamentary Committee may make recommendations to the Association Council.</p>	<p>Article 9</p> <p>The Association Parliamentary Committee may request of the Association Council relevant information regarding the implementation of this Agreement, and the Association Council shall supply the Committee with the requested information.</p> <p>The Association Parliamentary Committee shall be informed of the decisions and recommendations of the Association Council.</p> <p>The Association Parliamentary Committee may make recommendations to the Association Council.</p>

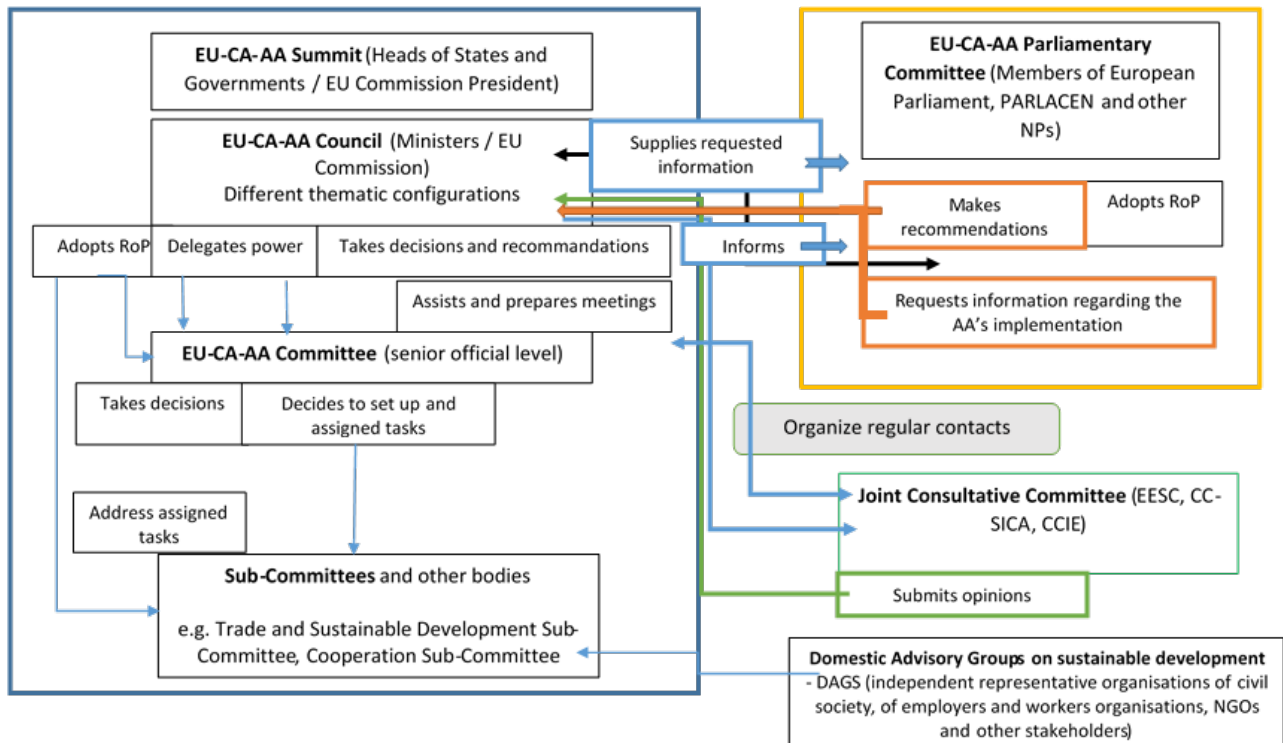
Figure 29 Institutional architecture of the EUMEEA

Against the background of criticism by some actors of the technocratic and not sufficiently democratic structure of the EU's trade agreements (Del Felice, 2012), however, it might be useful to examine whether and how opportunity structures could be created that would enable more proximate control of the implementation of the agreement by parliamentary bodies. In any case, Parliament should be careful to ensure that the institutional provisions correspond to the status achieved so far for contractually established relations between legislative and executive bodies in international agreements (see Table 26 and Figure 30). Particularly against the background of previous association agreements with Latin American states and organisations, Parliament should ensure that the EUMEEA's and EUMETA's institutional provisions do not fall behind.

Article 26 of the Framework agreement on relations between the European Parliament and the European Commission holds that 'the Commission shall keep Parliament systematically informed about, and facilitate access as observers for Members of the European Parliament forming part of Union delegations to, meetings of bodies set up by multilateral international agreements involving the Union, whenever such bodies are called upon to take decisions which require the consent of Parliament or the implementation

of which may require the adoption of legal acts in accordance with the ordinary legislative procedure'. So far, the rules of conduct laid down in Article 26 have not been further specified, as the Commission has no particular interest in further control of its activities in the context of the implementation of a trade agreement and Parliament concentrates on the enforcement of its rights agreed in the framework agreement for the phases leading up to the ratification of a trade agreement. Against the background of the massive criticism of the insufficient controllability of the EUMETA in general and the lack of enforceability possibilities of the TSD chapter in particular, it could be examined within the European Parliament to take effective and outwardly visible measures for the political control of the Commission and the EU's representatives in the Sub-Committees within the framework of Art. 26.

Figure 30 Institutional architecture of the EU-Central America Association Agreement



11.4 The Sub-Committees

The EUMETA chapters provides for several Sub-Committees and working groups:

- Art. 3.9. and 12 of the EUMETA's trade in goods' chapter establish the 'Trade in Goods Sub-Committee' that shall consider measures providing for improved market access. Other functions include monitoring the implementation and administration of the chapter, promotion of trade in goods, providing a forum to consult and endeavour to resolve issues relating to the chapter, coordinating the exchange of information on trade in goods, evaluating annually the use and the administration of quotas and of preferences granted by the agreement, discussing, clarifying, and addressing any technical issues that may arise between the parties on matters related to the application of each party's tariff nomenclature as defined in paragraph 7 and 8 of the Annex to the chapter.
- Art. 26 and 30 of the EUMETA's protocol on the rules of origin establish a 'Special Committee on Customs, Trade Facilitation and Rules of Origin' to monitor the implementation and administration of the chapter and of the protocol on rules of origin, to consult and discuss all issues concerning customs, including customs procedures, customs valuation, tariff regimes, customs nomenclature, customs cooperation and mutual administrative assistance in customs matters, to consult and

discuss issues relating to rules of origin and administrative cooperation, to enhance cooperation on the development, application and enforcement of customs procedures, mutual administrative assistance in customs matters, rules of origin and administrative cooperation. According to Art. 21 of the agreement's customs and trade facilitation chapter, the Sub-Committee shall also ensure the proper functioning of the chapter, and of the Protocol on Customs Mutual Administrative Assistance (MAA).

- Strangely, the EUMETA's chapter on Technical Barriers to Trade considers roles and functions for a 'Trade Committee' of the agreement (Art. 4.5), which is supposed to receive recommendations from the Chapter Coordinator, and for a 'Joint Committee', which, at the request of either Party, may review, based on the agreed recommendation of the Chapter Coordinators, the list of fields in Annex 1 (Art. 7.8). It remains unclear whether these two committees are one and the same body and in what relation they work to the hierarchically preceding bodies.
- Art. 9 and 18 of the agreement's chapter on Sanitary and Phytosanitary measures sets up the 'Sub-Committee on SPS matters'. This Sub-Committee shall meet at least once a year. It shall establish the necessary arrangements for resolving problems raised by the implementation of the chapter, monitor the progress in the chapter's implementation, and provide a forum for discussing problems arising from the application of SPS measures with a view to reaching mutually acceptable solutions. According to Art. 11, the Sub-Committee may also discuss issues of transparency and exchange of information. Moreover, the Sub-Committee shall submit recommendations for the amendment of the annex. It will also develop provisions and make recommendations to establish a procedure for the recognition of equivalence based on WTO/SPS Committee Decision G/SPS/19/Rev.2 and guidelines, standards and recommendations adopted in the framework of Codex, OIE and IPPC.
- Art. 2 and 7 of the agreement's chapter on dialogues establishes a 'Sub-Committee on Dialogues in animal welfare, in agricultural biotechnology, in combating antimicrobial resistance and in food safety, plant and animal health'. This is the only Sub-Committee that is empowered to appoint ad-hoc working groups for the conduct of the thematic dialogues. It shall establish the scope, mandate and agendas of these working groups. The working groups will be composed of representatives with technical expertise on the matters subjected to dialogue. The Sub-Committee shall establish the rules of conflict of interest for the participants of the working groups.
- Art. 27 of the agreement's chapter on government procurement establishes a 'Sub-Committee on Government Procurement'. It shall meet annually or upon request of a Party in order to review the effective operation of the chapter, and the mutual opening of procurement markets, to exchange information relating to the government procurement opportunities, to discuss the extent and the means of cooperation in government procurement among parties.
- Art. 34, 39, and 59 of the agreement's chapter on intellectual property establish a 'Sub-Committee on Intellectual Property' to follow up on the implementation of the provisions of the chapter. It will meet at least once per year to take decisions amending Annex I as regards the references to the law applicable in the parties, and decisions modifying Annex II with regard to geographical indications, to exchange information on legislative and policy developments on geographical indications, to cooperate on the development of alternative names for products that were once marketed by producers of a party with terms corresponding to geographical indications of the other party, especially in cases subject to a phasing out.
- Art. 14, 16 and 17 of the agreement's TSD chapter establish a 'Sub-Committee on Trade and Sustainable Development' to facilitate and monitor the effective implementation of the chapter. It shall make recommendations to the TBT Committee (established under Art. 4.5. of the chapter on Technical Barriers to Trade) with regard to topics for discussion with the civil society mechanism

established under the general provisions of the agreement. The Sub-Committee will fulfil a key function within the TSD's specific dispute settlement mechanism: It shall establish a list of at least 15 individuals who are willing and able to serve on the TSD's Panel of Experts (the list shall be composed of three sub-lists: one sub-list proposed by the EU, one sub-list proposed by Mercosur and one sub-list of individuals that are not nationals of either Party). The party complained against shall inform its civil society domestic advisory group and the other party of its decisions on any actions or measures to be implemented no later than 90 days after the report has been made publicly available. The TSD Sub-Committee will then monitor the follow-up to the report of the Panel of Experts and its recommendations. The civil society domestic advisory groups may submit observations to the TSD Sub-Committee in this regard. The Sub-Committee may also recommend modifications to the relevant provisions of the Chapter. Art. 16.6 holds that the TSD Sub-Committee shall take into account any views provided by the civil society mechanisms as well as any expert advice.

11.5 Civil society representation

According to the general and institutional provisions of the EUMEAA, the parties shall promote consultations with civil society through the establishment of an appropriate mechanism of consultation and the promotion of interaction between the representatives of their civil society in order to facilitate the implementation of the agreement. In addition, parties shall promote the dialogue between the European Union's Economic and Social Committee and Mercosur's Consultative Social and Economic Forum, and encourage their contribution to the civil society mechanisms:

- The EU and Mercosur shall each designate a domestic advisory group (DAG), established in accordance with each party's internal arrangements. These groups should be comprised of a balanced representation of independent civil society organisations including non-governmental organisations, business and employers' organisations and trade unions active on economic, development, social, human rights, environmental and other matters. To promote public awareness of the domestic advisory groups, the EU and Mercosur shall each made available to the public the list of organisations participating in consultations as well as the contact point for that group.
- Finally, the agreement holds that the parties shall facilitate the organisation of a Civil Society Forum. The Association Committee shall develop the operational guidelines for the conduct of the Forum in order to foster public dialogue on the implementation of the agreement. The Civil Society Forum shall be open for the participation of independent civil society organisations established in the territories of either the EU or Mercosur, including members of the DAGs. Overall, the agreement calls the parties to promote a balanced representation, including, non-governmental organisations, business and employers' organisations and trade unions active on economic, development, social, human rights, environmental and other matters. In addition, the EUMEAA calls representatives of the Association Council or the Association Committee, to take part in meetings of the Civil Society Forum in order to present information on the implementation of the agreement and to engage in a dialogue with the Forum.

It is noteworthy that while the EUMEAA establishes a direct link between the Civil Society Forum, the Association Council and the Association Committee, it does not establish corresponding links between the Forum and the Association Parliamentary Committee. In this respect, too, the provisions of the EUMEAA fall noticeably short of the level reached in corresponding rules recent association agreements.

In principle, these rules of the EUMEAA follow the corresponding standards of other EU FTAs negotiated since 2009. Already the EU-Chile Association Agreement (signed in 2002) provided for some civil society

mechanisms, and the EU-CARIFORUM Agreement (2008) created a Consultative Committee, which is composed of representatives of civil society of both parties. Since the EU-South-Korea Agreement (2010) these civil society mechanisms have become a standard and quite prominent feature of EU trade agreements and their TSD chapters. Provisions for civil society meetings have been formally mentioned in all the concluded agreements, namely Peru-Colombia (2012), Central America (2012), Ukraine (2014), Georgia (2014), Moldova (2014), Singapore (2014), Canada (2014) and Vietnam (2015). These agreements include a TSD chapter, encompassing labour, social, and environmental provisions. And in addition, they provide for civil society mechanisms to drive the implementation of these commitments.

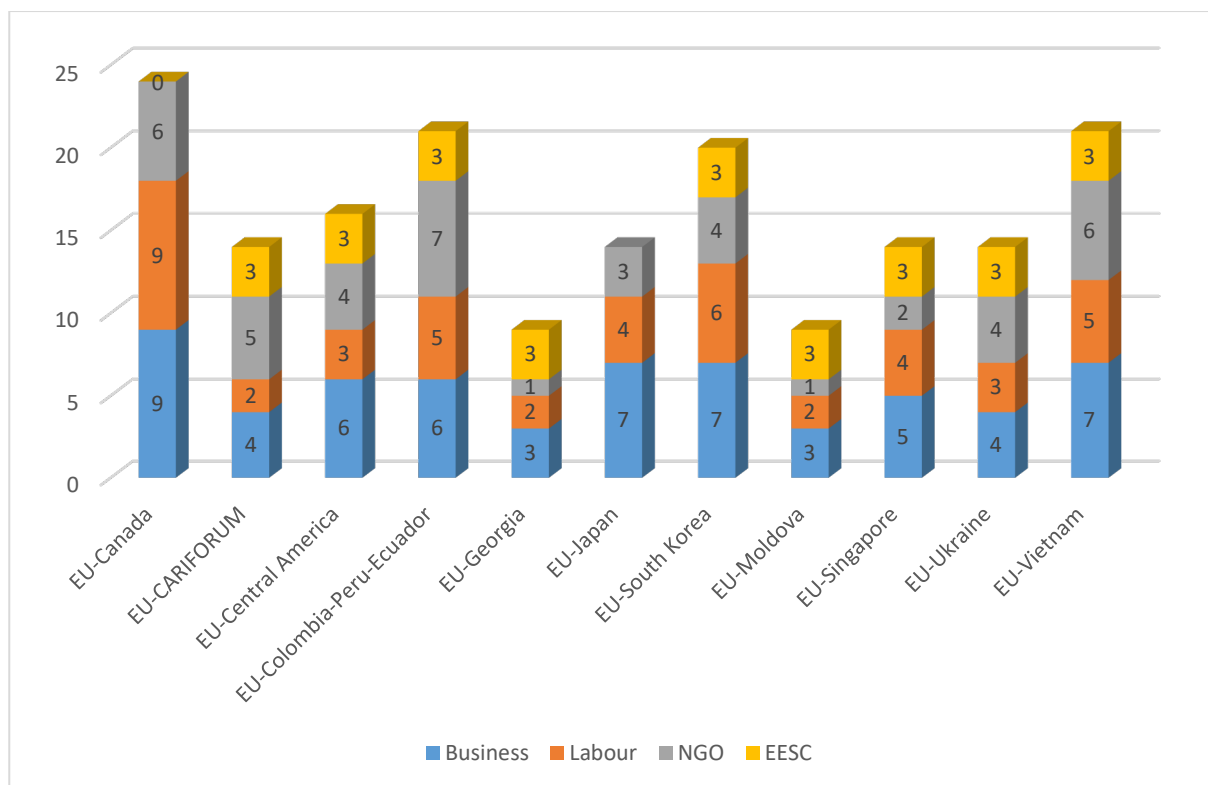
From our point of view, it seems incomprehensible that the parliamentary component of the EUMEEA is excluded from cooperation with its civil society component.

The composition of the civil society forums is largely governed by the domestic advisory groups. Within the EU, they are supported by the EESC through its External Relations' secretariat. The latter coordinates the EU DAG meetings, supports EU DAG members and maintains contacts with civil society partners worldwide. In addition to members appointed by the EESC, it is the Commission that selects members via calls for expressions of interest. The Commission encourages applications from organisations that are interested in becoming members of at least two DAGs and/or proposing representatives who are able to cover more than one agreement. The selection process starts with the Commission's launch of the call for expression of interest. The entire review and selection of candidates is carried out by DG Trade. Organisations (and the candidate(s) proposed by the organisation) are selected against the following criteria: The organisation must be a civil society organisation, be not for profit, represent or defend EU interests, and be registered in the EU Transparency Register and in DG Trade's civil society database. The candidate(s) designated by the organisation must have specific professional expertise or competence in the area of trade policy, and in particular with regard to the areas covered by the TSD chapter of the agreement(s) they are proposed to cover. The Commission holds that when selecting EU-DAG members, it will seek to achieve a balanced and diverse membership, representing different civil society segments. Civil society meetings have become increasingly important in practice. However, their impact is judged very differently by actors. While some see them as a 'fig leaf', 'Potemkin villages' or 'talking points' (Burgoon, 2009; Horn, Mavroidis, & Sapir, 2010; Meunier & Nicolaidis, 2006; Vogt, 2014), others are more optimistic about their potential to empower marginalised groups within EU trading partners. Orbie et al. examined the goals behind these meetings. They distinguished four analytically distinct goals: instrumental goals (gathering support for the FTA), functional goals (monitoring and gathering information on implementation), deliberative goals (promoting democratic governance) and political influence (advising governments) (Orbie J. Van den Putte L. Martens D. (2018)). We have looked at the composition and proceedings of the EU DAGs against the information provided for in the EU's transparency register and DG Trade's civil society database. This database currently lists 254 organisations. As to the transparency register, 12.959 organisations were listed in September 2021. They are from the following (sub)sections.

Non-governmental organisations, platforms and networks and similar:	3516
Companies & groups:	2902
Trade and business associations:	2713
Trade unions and professional associations:	988
Think tanks and research institutions:	602
Professional consultancies:	578
Academic institutions:	367
Other organisations:	345
Other public or mixed entities, created by law whose purpose is to act in the public interest:	281
Self-employed consultants:	230
Regional structures:	117
Other sub-national public authorities:	96

Law firms:	94
Transnational associations and networks of public regional or other sub-national authorities:	75
Organisations representing churches and religious communities:	55

Figure 31 Representation of groups in EU DAGs



Own compilation. Source: European Commission Transparency Register and DG Trade’s website on the implementation of the Trade and Sustainable Development (TSD) chapter in trade agreements – TSD committees and civil society meetings (<https://trade.ec.europa.eu/doclib/press/index.cfm?id=1870>).

The composition of the EU’s DAGs raises questions if the goal to achieve a balanced membership between the different civil society segments has been met. Our analysis of the DAGs shows that employers’ and business associations are disproportionately represented in all DAGs compared to trade unions and workers’ associations. In the vast majority of DAGs, employers’ and business organisations also outnumber NGOs. Taking the number and diversity of associations reported in the registers as a basis, the concentration of association representation across all DAGs is significant. This becomes particularly clear when looking at the NGOs: Here, two organisations stand out – the Eurogroup for Animals and Euromontana – which are likely to be able to assert legitimate partial interests in all agreements. Nevertheless, the Commission’s register lists other NGOs that participate in the public debate on trade agreements with a comparatively higher level of expertise. The question must therefore be allowed as to how the criteria to select members of DAGs are applied in practice by the Commission.

12 Conclusions and recommendations

Our economic analysis has shown that while the agreement brings large increase in bilateral market access, its expected **macroeconomic effects are limited**, in particular for the EU. However, one has to keep in mind that this is just one of the many agreements that contribute to greater trade openness of the EU and expands the opportunities for EU production sectors. As the production expansion is expected mainly in

high-value added technically advanced sectors of manufacturing, from efficiency point of view, the structural changes to the EU economy will work towards shifting production resources towards higher productivity uses and advance further aggregate productivity growth and improve EU competitiveness. Of course, this is conditional on actual market access – while the reduction of tariffs is clearly substantial, it is going to be significantly spread over more than a decade so these effects are not going to materialize in the short run.

The agreement will have a eliminate or reduce a number of high fees and charges currently applied, in particular, by Brazil as well as it will address the price control measures and trade monopolies present in Mercosur countries. All of these are important non-tariff barriers. Our analysis has shown that the degree of similarity of the regulatory protection measures between the EU and the Mercosur countries is low and they may also be a significant barrier to trade. While the agreement itself does not lower any of these trade barriers per se, i.e. neither the EU nor Mercosur are going to lower its **technical requirements** automatically but rather, through a process of consultation and cooperation, newly introduced regulatory measures or changes to the existing measures can accommodate the specificity of the partners and lead to long-term trade facilitation. Whether this process is going to be effective requires ongoing effort and monitoring on both sides as well as further studies at the sector and product level. For example, the importance of in-depth analysis on **agricultural trade** is to be stressed. We show that the sector of fruits and nuts is particularly interesting and should be researched further.

A collaboratively established monitoring system should be envisaged for these additional analyses. On **SPS**, a focus on existing critical areas independent from the agreement should allow for targeted capacity building. Existing expert exchange programs, such as those offered by the Standards and Trade Development Facility (joint facility by FAO, OIE, the World Bank, WHO and the WTO), can help support mutual knowledge not only on different domestic standards to fulfil but as well on different governance traditions. Due to the predicted increase in trade and the pressure on quality tests, a focus must be put on strict and transparent auditing criteria for involved safety and control authorities. This can limit potential food risks often claimed to arise through trade facilitation as it can lead to facilitation of trade on the one hand, but possibly less efforts on controls on the other. This requires strong accreditations and controls or respective authorities at the partner side. On the subject of safety degradation, a communication strategy should constantly convey the unchanged EU's policy scope in this area and the approach to proactively control and test controlling systems.

GIs can serve quality production and support indigenous communities. Scope for a new type of indigenous or cultural GI ('GI+') should be considered. Already domestic defined respective GIs specifically relevant for indigenous communities such as some cocoa and cheese in Brazil should be taken into account. Furthermore, a link to protecting genetic resources' property of indigenous communities as referred to in the CBD could be linked. If these genetic resources such as certain species are related to agricultural products relevant for indigenous communities, they can be considered as special GIs as well. Supporting high-quality products and their required administrative governance, e.g. by a control systems in the Mercosur region, is generally important. This can be based on experiences within the EU's equivalence agreement on organic products with Argentina, which may contribute to better administrative processes and facilitate trade as well in other quality process than organic food.

The usual safeguards to protect, especially the agriculture sector, are supplemented in this agreement by export taxes used in particular by Argentina. Strengthening rules on all measures that limit food exports, including export taxes, would be beneficial. The remaining exceptions for continuing to use these taxes should be better clarified. Additionally, further bilaterally agreed options to limit other, even more critical (quantitative) export restrictions not governed by the agreement should be considered. Anyhow, a WTO strategy to further restrict their use should be followed in general. All of these trade-restricting safeguards are often more counterproductive in promoting food security. Existing national domestic food security

programmes are more appropriate and could be supported. A new and relevant issue on both sides, the EU and Mercosur, is obesity. Here joint programmes on research and vocation could be considered.

Besides a set of specific recommendations for single provisions like SPS and GIs some overall approaches should be followed:

In a recent period of fragile international connections, the Agreement's entry into force would be a geopolitically significant sign. It serves as a docking point for key European principles, such as sustainable development, by providing a framework for European interests and values. While there may still be risks, they can be better addressed inside a pre-existing framework such as an agreement. If the Mercosur region shifts trade to other destinations, leakage effects in terms of remaining risks are possible. Such a deviation could occur at any point, hence a parallel initiative to accompany the Agreement should be pursued regardless.

A supported pathway towards sustainable development can be developed based on recent approaches to enforce sustainability development chapters in trade agreements: One example, is the handbook of implementation with Ecuador. Such pathway should set milestones and incorporate existing entry points found in the Mercosur region on all levels. Options on improving traceability of products, in particular of animal origin, are of special relevance. Effective approach is in the interest of both partners as the EU's envisaged new due diligence and deforestation schemes will rely on appropriate schemes. There is a variety of options in place to foster sustainability in the Mercosur region and they should be supported through dissemination of information. It also important to include indigenous people and their needs.

Due to specific relevance, the dialogue should integrate indigenous people and local actors. This can be the domestic advisory group and accompanying bilateral arrangements. For this purpose, one should benefit from experiences at the national level in the Mercosur region. For instance, several regional pilot programmes have been initiated for long.

In order to better understand and to build commitments and acceptance a joint research and knowledge hub may be considered and can follow existing examples like jointly founded and financed research institutions in the MENA region.

The rights and functions granted to the **Association Parliamentary Committee** in the agreement are far below the status that the European Parliament and the parliaments of the Mercosur states have attained within their respective fabrics of governance. In addition to the ambiguously formulated (ex-post) information and general self-referral rights provided for in the agreement, **the Parliamentary Committee should also be given appropriate monitoring functions vis-à-vis the Association Council and the Association Committee.** Against the background of louder criticism, it should in any case also be in the interest of the advocates of the agreement to make it more effective by introducing obligatory, **ex-ante consultation rights** for the parliamentary body. The European Parliament could **make use of the provisions of Art. 26 of the Framework Agreement** on relations with the Commission and work towards ensuring that, analogous to the current rules, members of the Association Parliamentary Committee also have comprehensive access to the bodies that are involved in the implementation of the Agreement under the authority of the Association Council.

With regard to the participation of **civil society organisations**, it is striking that the relevant agreement norms establish a largely unidirectional structure in relation to the bodies of the agreement endowed with executive functions. With regard to the Parliamentary Committee and the Civil Society Forum, the relations between the two could be further clarified. Parliament should benchmark the provisions in this regard against those in the EU-Central America Association Agreement and, if necessary, call for additional tightening. In any case, Parliament could consider using the procedural autonomy of the Parliamentary Association Committee to ensure that effective and participatory consultation procedures are established

between the Parliamentary Committee and the Civil Society Forum. This way of implementing the EUMEEA would leave its already agreed text untouched. As in other agreements of the younger generation, the DAGs play the central role in articulating and mediating societal interests. Given the already existing DAGs and their structure, we recommend a fundamental review: We think that it should not be the European Commission, but the **EESC in association with the European Parliament that should be responsible for the composition of the DAGs**. In any case, the practice of the DAGs so far shows that the Commission is not able or willing to realise the desired balance between the different segments of society. We would therefore recommend **subjecting the recruitment of DAGs to a greater extent to a public and parliamentary legitimised procedure**.

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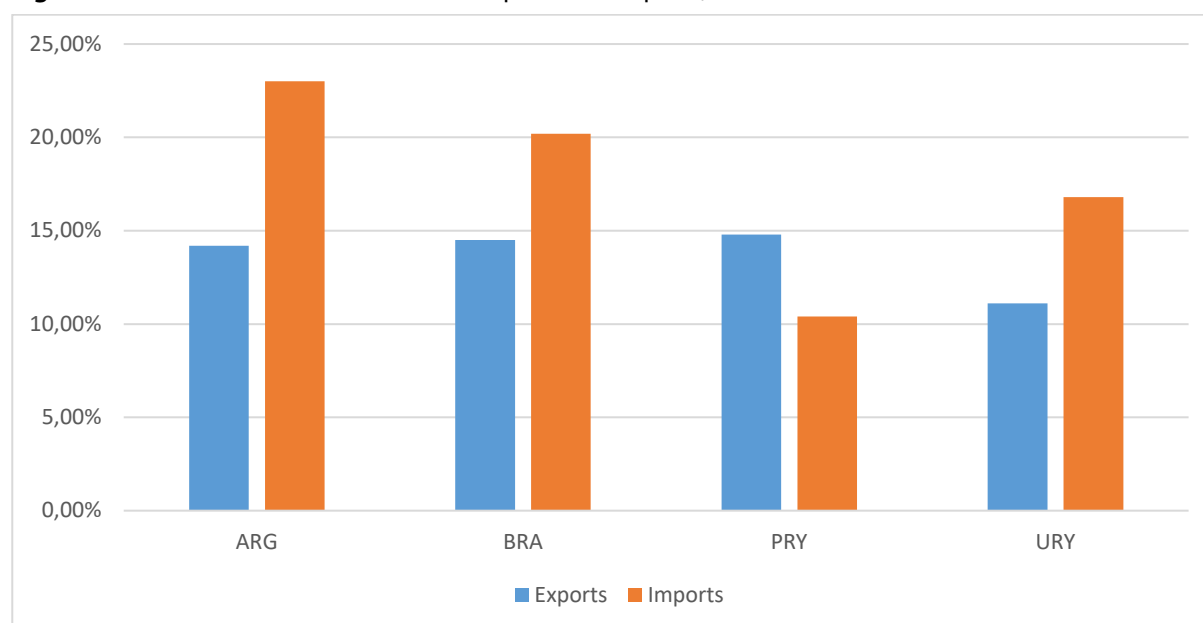
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Annex – additional tables and figures

Figure 32 EU share in Mercosur countries exports and imports, 2019



Source: COMTRADE data.

Table 27 Top products exported by EU to Mercosur in 2019

Product	Value share in total EU27 export to Mercosur
84 Nuclear reactors, boilers, machinery	20.8 %
30 Pharmaceutical products	9.8 %
87 Vehicles other than railway	8.3 %
85 Electrical machinery and equipment	8.3 %
29 Organic chemicals	5.7 %
90 Optical, photographic, cinematographic	5.1 %
27 Mineral fuels, mineral oils and products of their distillation	4.9 %
88 Aircraft, spacecraft, and parts thereof	4.3 %
39 Plastics and articles thereof	3.7 %
38 Miscellaneous chemical products	3.7 %

Source: Own calculation based on COMTRADE data.

Table 28 Top products exported by Mercosur to EU in 2019

Product	Share in total Mercosur exports to the EU
23 Residues and waste from the food industries;	13.8 %
26 Ores, slag and ash.	8.8 %
27 Mineral fuels, mineral oils and products of their distillation;	7.0 %

09 Coffee, tea, mate and spices.	5.6 %
12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit;	5.6 %
84 Nuclear reactors, boilers, machinery and mechanical appliances;	5.3 %
47 Pulp of wood or of other fibrous cellulosic material; recovered	4.7 %
72 Iron and steel	4.1 %
20 Preparations of vegetables, fruit, nuts or other parts of plants.	3.9 %
02 Meat and edible meat offal	3.9 %

Source: Own elaboration based on COMTRADE data.

Table 29 Top products exported by EU MS to Mercosur in 2019

Reporter	Product at HS2 level	Share in total export to Mercosur
DEU	84 Nuclear reactors, boilers, machinery	24.8 %
	87 Vehicles other than railway	11.6 %
	85 Electrical machinery and equipment	9.1 %
	30 Pharmaceutical products	8.6 %
	29 Organic chemicals	8.6 %
ITA	84 Nuclear reactors, boilers, machinery	33.9 %
	30 Pharmaceutical products	8.3 %
	87 Vehicles other than railway	8.2 %
	85 Electrical machinery and equipment	7.8 %
	90 Optical, photographic, cinematographic	4.4 %
FRA	88 Aircraft, spacecraft, and parts thereof	20.6 %
	84 Nuclear reactors, boilers, machinery	14.0 %
	38 Miscellaneous chemical products	8.8 %
	29 Organic chemicals	8.1 %
	85 Electrical machinery and equipment	7.9 %
NDL	27 Mineral fuels, mineral oils and products	27.24 %
	84 Nuclear reactors, boilers, machinery	13.69 %
	30 Pharmaceutical products	10.61 %
	85 Electrical machinery and equipment	7.11 %
	90 Optical, photographic, cinematographic	6.70 %
ESP	84 Nuclear reactors, boilers, machinery	13.2 %
	27 Mineral fuels, mineral oils and products	13.0 %
	85 Electrical machinery and equipment	7.6 %
	38 Miscellaneous chemical products	5.0 %
	28 Inorganic chemicals; organic or inorganic compounds	4.7 %
AUT	84 Nuclear reactors, boilers, machinery	19.1 %

	85 Electrical machinery and equipment	13.4 %
BEL	30 Pharmaceutical products	29.1 %
	84 Nuclear reactors, boilers, machinery	12.1 %
BGR	31 Fertilisers	20.4 %
	84 Nuclear reactors, boilers, machinery	10.8 %
CYP	85 Electrical machinery and equipment	62.74 %
	84 Nuclear reactors, boilers, machinery	14.60 %
CZE	84 Nuclear reactors, boilers, machinery	25.9 %
	85 Electrical machinery and equipment	17.3 %
DNK	84 Nuclear reactors, boilers, machinery	31.8 %
	90 Optical, photographic, cinematographic	11.0 %
EST	27 Mineral fuels, mineral oils and products	47.7 %
	90 Optical, photographic, cinematographic	10.9 %
FIN	84 Nuclear reactors, boilers, machinery	29.7 %
	48 Paper and paperboard; articles of paper pulp, of paper or of paperboard.	17.4 %
GRC	27 Mineral fuels, mineral oils and products	73.9 %
	25 Salt; sulphur; earths and stone; plastering materials, lime and cement.	4.0 %
HVR	84 Nuclear reactors, boilers, machinery	51.7 %
	85 Electrical machinery and equipment	13.5 %
HUN	85 Electrical machinery and equipment	22.1 %
	84 Nuclear reactors, boilers, machinery	17.9 %
IRL	30 Pharmaceutical products	56.4 %
	84 Nuclear reactors, boilers, machinery	16.1 %
LTU	27 Mineral fuels, mineral oils and products	63.6 %
	31 Fertilisers	12.6 %
LUX	84 Nuclear reactors, boilers, machinery	30.5 %
	73 Articles of iron or steel.	22.2 %
LVA	85 Electrical machinery and equipment	65.2 %
	27 Mineral fuels, mineral oils and products	13.1 %
MLT	84 Nuclear reactors, boilers, machinery	46.6 %
	29 Organic chemicals	15.3 %
POL	84 Nuclear reactors, boilers, machinery	21.2 %
	87 Vehicles other than railway	11.1 %
PRT	15 Animal or vegetable fats and oils and their cleavage products;	29.5 %
	88 Aircraft, spacecraft, and parts thereof	14.2 %
ROM	87 Vehicles other than railway	43.1 %
	84 Nuclear reactors, boilers, machinery	17.8 %

SVK	87 Vehicles other than railway	37.8 %
	84 Nuclear reactors, boilers, machinery	23.9 %
SVN	85 Electrical machinery and equipment	18.9 %
	30 Pharmaceutical products	18.8 %
SWE	84 Nuclear reactors, boilers, machinery	33.9 %
	87 Vehicles other than railway	16.6 %

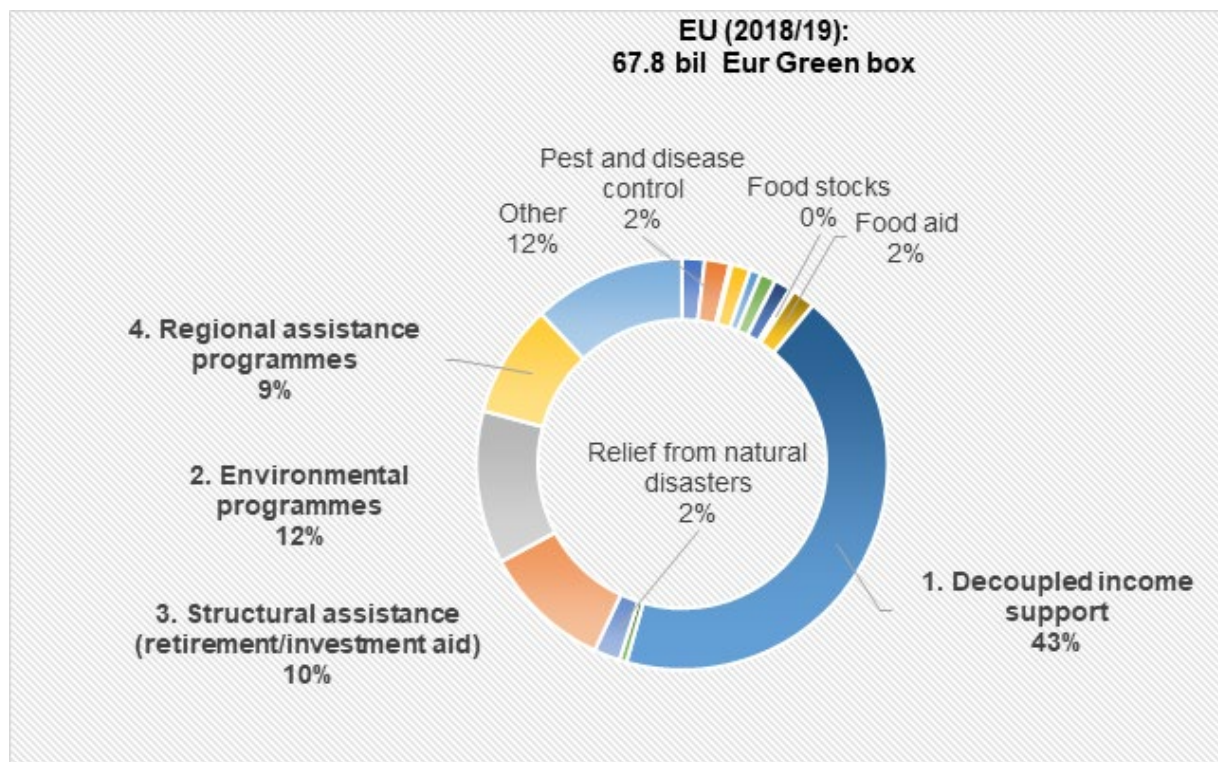
Source: own computation based on COMTRADE data.

Table 30 Complementarity indices for EU and Mercosur trade

Importer/Exporter	EU exports				Mercosur exports			
	ARG	BRA	PRY	URY	ARG	BRA	PRY	URY
AUT	72.4	65.3	62.3	65.9	37.15	43.04	25	23.7
BEL	67	63.1	57.6	65.3	41.6	46.5	29.5	24
BGR	66.5	64.8	63.9	71.1	36.7	53.9	33.8	24.9
CYP	28.2	34.8	31.6	34.6	37	48.5	38.5	23.9
CZE	69.7	60.6	66.7	59.1	34.9	37.6	22	21.5
DEU	76.7	68.9	63.1	66	38.5	44.3	26.2	23.2
DNK	61.2	60.2	55.2	64.5	40.2	41.6	26.9	27.4
ESP	66.4	60.9	62.3	72.7	40.6	50	32.7	25.5
EST	61.8	61.1	62.3	61.6	37.8	48	31.5	26.4
FIN	64.4	65.4	58.4	59.8	34.9	50.5	33	23.9
FRA	67.7	66.1	64.7	68.5	39.1	45.4	27.7	23.6
HRV	62.3	63	62.9	71.1	34.7	48.3	40.9	26.6
GRC	46.3	50.9	51.1	56.4	38.8	47.3	32.5	27
HUN	74	66.9	71.8	63.5	34.4	39.5	24.4	21.6
IRL	36.3	38.1	31.2	35.5	30.6	38	23.5	22.3
ITA	68.1	64.2	60.8	68.5	42	51	32	26.8
LTU	63.1	67.1	66.9	77.3	40	47.5	37	27.1
LUX	53.6	51.3	51.5	53.6	38.4	47.4	27.1	24.2
LVA	55.8	54.6	55.1	59.4	38.8	46.5	28.9	28.7
MLT	49.3	53.6	56.5	46.5	26.9	41.2	36.4	21.4
NLD	72.5	75.3	70.5	75.9	36	48	35.9	25.1
POL	69.3	63.4	64.4	71.6	37.9	43.8	26.4	24
PRT	63.9	59.3	61.5	69.4	42.7	49.5	32	28.2
ROM	66.2	60.6	65.6	59.4	38.2	42.5	26.7	24.4
SVK	63.9	56.7	63.9	55.7	33.6	39	23.7	21.3
SVN	70.7	63.8	63.8	66.5	35.8	45.4	27.3	23.4
SWE	74.1	67.2	61.8	65.1	38.8	45.3	28	24.4

Source: own computation based on COMTRADE data.

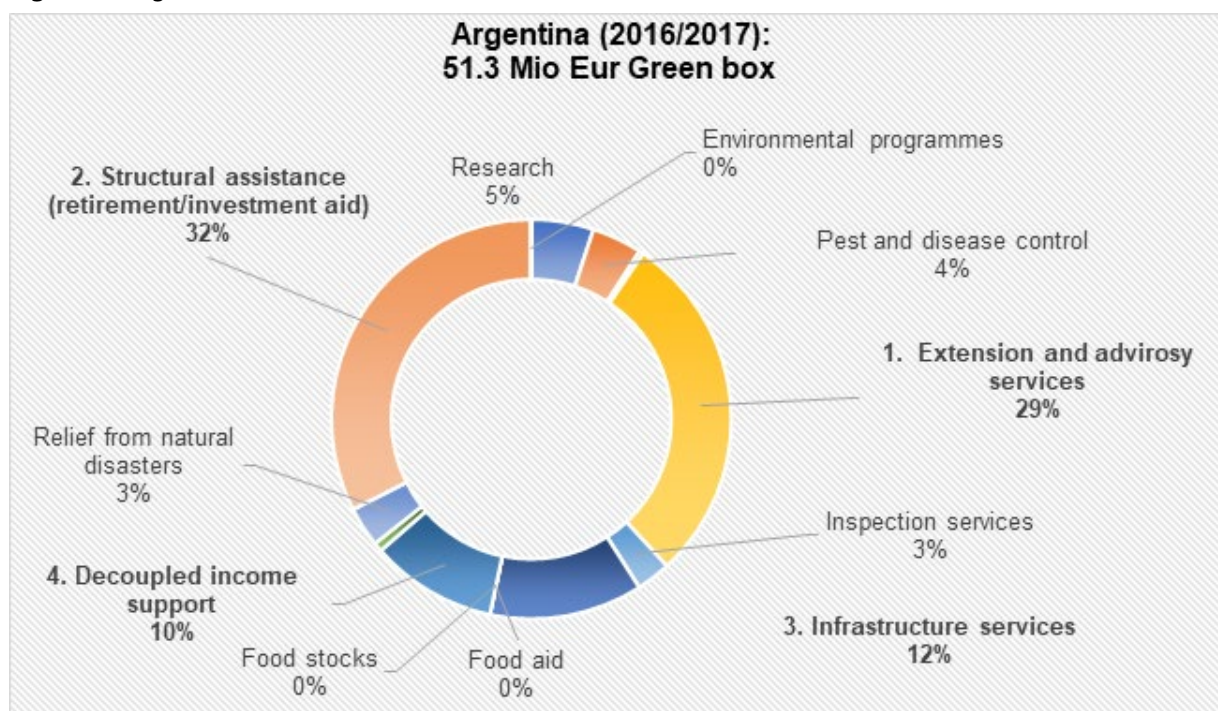
Figure 33 EU WTO Notifications (2018/19)



Source: WTO.

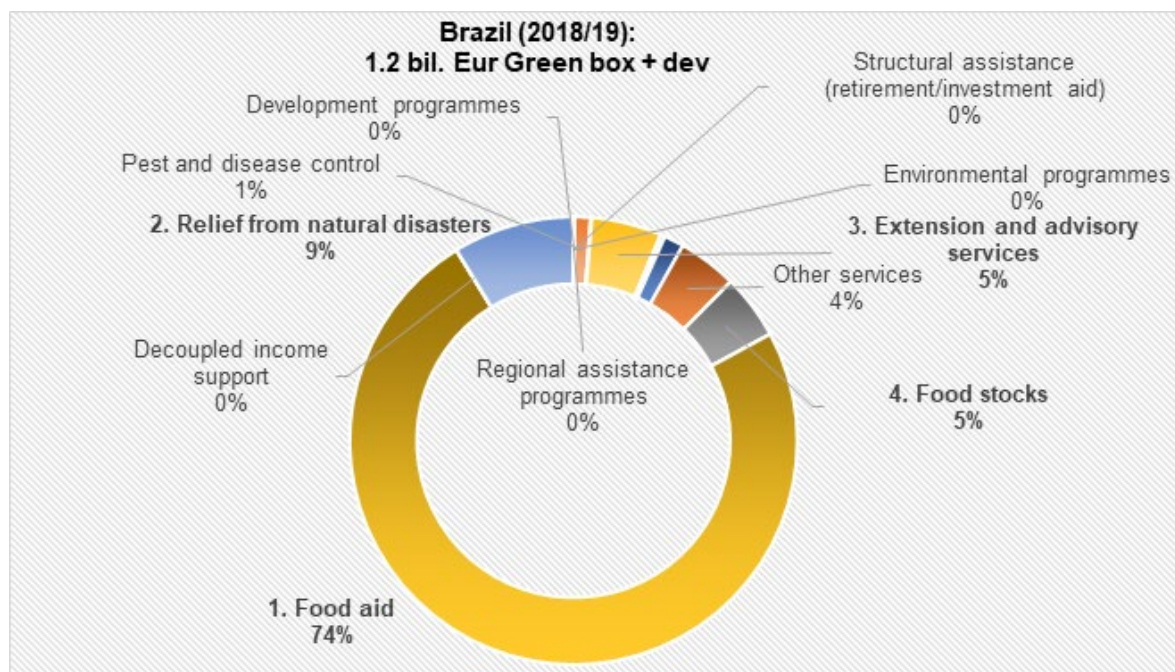
Note: The catalogue of measures considered comprises the list according to AoA Annex 2 ('green box': support for decoupled income, research, pest and disease control, training, extension and advisory services, inspection, marketing and promotion, infrastructure, food stocks and food aid, income insurance, relief from natural disasters, structural assistance like retirement, environmental programmes, regional assistance) and AoA Art. 6.2 ('development box': inputs subsidies for poor farmers, subsidies for diversification from illicit narcotic crops).

Figure 34 Argentina WTO Notifications (2016/2017)



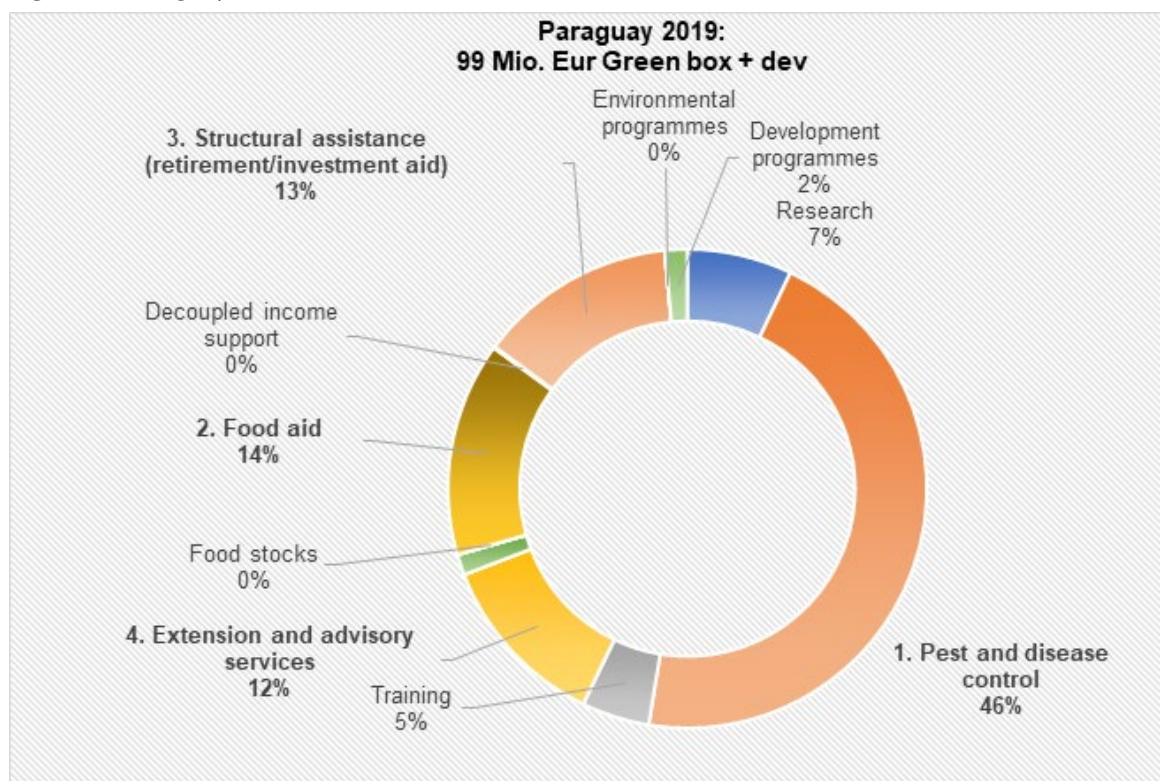
Source: WTO.

Figure 35 Brazil WTO Notifications (2018/2019)

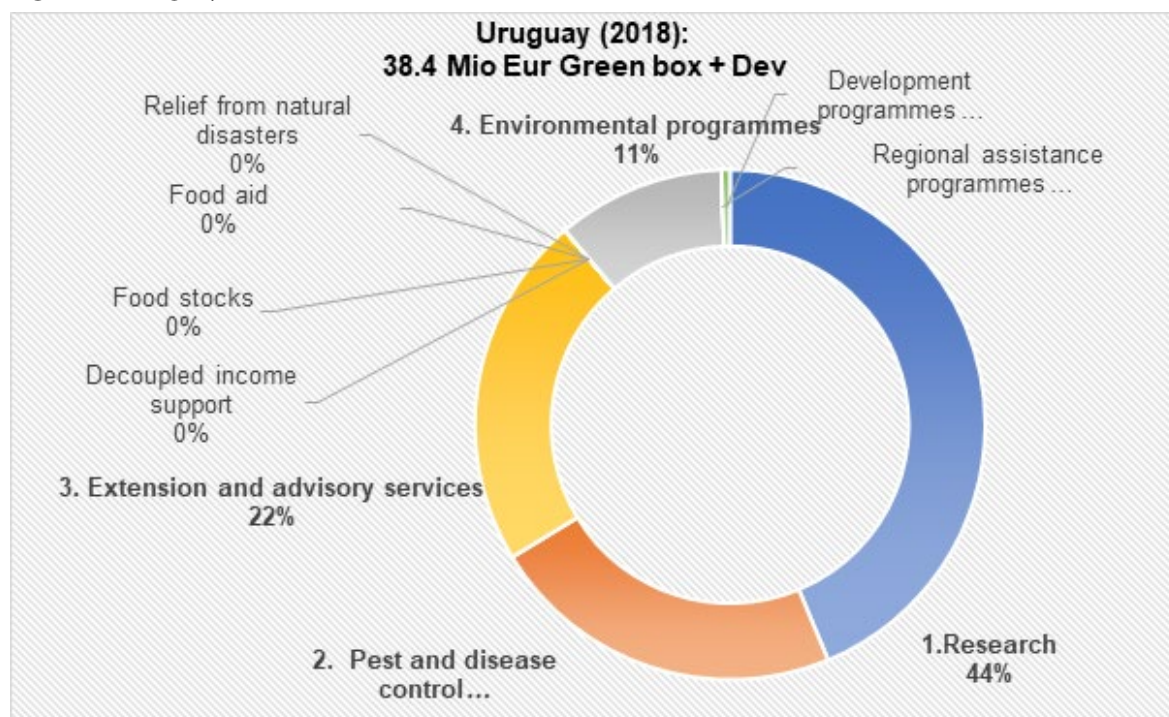


Source: WTO.

Figure 36 Paraguay WTO Notifications (2019)



Source: WTO.

Figure 37 Uruguay WTO Notifications (2018)

Source: WTO.

Table 31 Exception from overall liberalisation: TRQs in EUMETA

Product	EU			Mercosur		
	Tariff lines covered	TRQ	Time frame	Tariff lines covered	TRQ	Time frame
Fresh beef	7	in-quota tariff 7.5 % 54 450 t	total quantity reached in year 5	Nothing defined in the agreement		
Frozen beef	15	44 550 t in-quota tariff 7.5 %	total quantity reached in year 5			
Fresh and chilled, frozen and prepared pig meat	42	in quota tariff 83 EUR/t 25 000 t	total quantity reached in year 5			
Boneless poultry meat, including poultry preparations	25	duty-free 90 000 t	total quantity reached in year 5			
Bone-in poultry meat	85	duty-free 90 000 t	total quantity reached in year 5			
Milk powder	13	duty-free 10 000 t	total quantity in year 10	3	duty-free 10 000 t	duty-free after 10 years
Cheese	43	duty-free 30 000 t	duty-free after 10 years	5	duty-free 30 000 t	duty-free after 10 years
Eggs	5	duty-free 3 000 t	total quantity reached in year 5	Nothing defined in the agreement		
Egg albumin	2	duty-free 3 000 t	total quantity reached in year 5			

Honey	1	duty-free 45 000 t	full quantity reached in year 5			
Infant formula	1	duty-free 5 000 t	duty-free after 10 years	3	duty-free 5 000 t	duty-free after 10 years
Maize and sorghum	4	duty-free 1 000 000 t	total quantity reached in year 5	Nothing defined in the agreement		
Rice	32	duty-free 60 000 t	total quantity reached in year 5			
Sugar for refining (from Brazil)	2	duty-free 180 000 t	at entry into force			
Sugar for refining (from Paraguay)	2	duty-free 10 000 t	at entry into force			
Other sugar	16	2 000 t 50 % tariff preference on the base rate	at entry into force			
Rum	2	duty-free 2 400 t	total quantity reached in year 5			
Sweet corn	3	duty-free 1 000 t	total quantity reached in year 5			
Maize and manioc starch	2	50 % on the base rate in the aggregate annual quantities of 1 500 t	at entry into force			
Starch derivate	11	duty-free 600 t	total quantity reached in year 5			
Ethanol	4	650 000 t (200 000 in-quota tariff 3.4 EUR/hl or 6.4 EUR/hl; 450 000 t duty-free for chemistry industry)	total quantity reached in year 5			
Garlic	1	duty-free 15 000 t	total quantity reached in year 7	1	duty-free 5 000 t	duty-free after 7 years

Source: based on Appendix.

Table 32 Excluded Agri-food products from the EUMETA

EU		Mercosur	
Product	Tariff	Product	Tariff
Lamb and sheep meat (02032990 – 02045079)	12.8 %+90.2 to 311.80 EUR/100 kg)		
Milk and cream concentrated (04029110 to 04029999)	1.08 EUR/kg+18.50 EUR/100 kg to 183.7/100 kg	Other milk (04029100, 04029900)	14-28 % (except PY 14 %)
Buttermilk (04039013-04039099)	0.17 EUR/kg+21.1 EUR/100 kg to 8.3+168.8 EUR/100 kg	Buttermilk (04039000)	16 %
Whey (04041002-04041084)	7 EUR/100 kg to 167.2 EUR/100 kg	Whey (04041000)	AR 28 % BR 28 % PY 14 % UR20 %

Products consisting of natural milk constituents, not containing added sugar or other sweetening matter, of a fat content, by weight, n.e.s. (4049021-04049089)	0.95 EUR/kg+22 EUR/100 kg to 135.7 EUR/100 kg	Other products consisting of milk (14 %
Fats and oils derived from milk, of a fat content, by weight, of >= 99.3 % and of a water content, by weight (04059010-04059090)	231.30 EUR/100 kg	Butteroil 04059010	16 %
		Other fats (04059090)	16 %
Mozzarella (04061020)	185.20 EUR/100 kg	Fresh cheese, mozzarella (04061010)	28 % (except PY 16 %)
		Olives (07112010 to 07112090)	10 %
		Mushrooms(agaricus)provisionally preserved in brine (07115100)	10 % (except BR 35 %)
		Powdered garlic (07129090)	10 %
		Durum wheat (10011900)	10 %
		Other mixtures of wheat and rye (10019900)	10 %
		Wheat flour (110100110)	12 %
		Malt roasted, (11072010, 11072020)	14 %
		Castor oil (15153000)	10 % (except BR 30 %)
Raw beet sugar (17011210, 17011290)	33.9 EUR/100 kg, 41.9 EUR/100 kg		
Raw cane sugar (17011390, 17011410)	41.9 EUR/100 kg		
Refined cane sugar (17019100)	41.9 EUR/100 kg		
White sugar, cane or beet sugar (17019100, 17019910, 17019990)	41.9 EUR/100 kg	Other cane/beet sugar (17019900)	AR 20 % BR 16 % PY 30 % UR 35 %
		Pasta (19021100 to 19023000)	16 %
		Panettone (19052010) and Gingerbread (19052090)	18 %
		Other tomato prepared preserved (20029090)	14 %
		Pear prepared (20054000)	14 %
		Olives prepared (20057000)	14 %
		Sweet corn prepared (20058000)	14 %
		Grape juice (20096100, 20096900)	14 %

		Soups and broths (21041029)	18 %
		Other preparations for elaboration of drinks (21069010)	AR 22 % BR 14 % PY 14 % UR 0 %
		Powder for preparations of puddings (21069021)	18 %
		Wines in containers with capacity over 5 liter (22042919)	20 %
		Grape must (22042920, 22043000)	20 %
		Oth.ferm.beverages and mixtures of ferm.beverages (22060090)	20 %

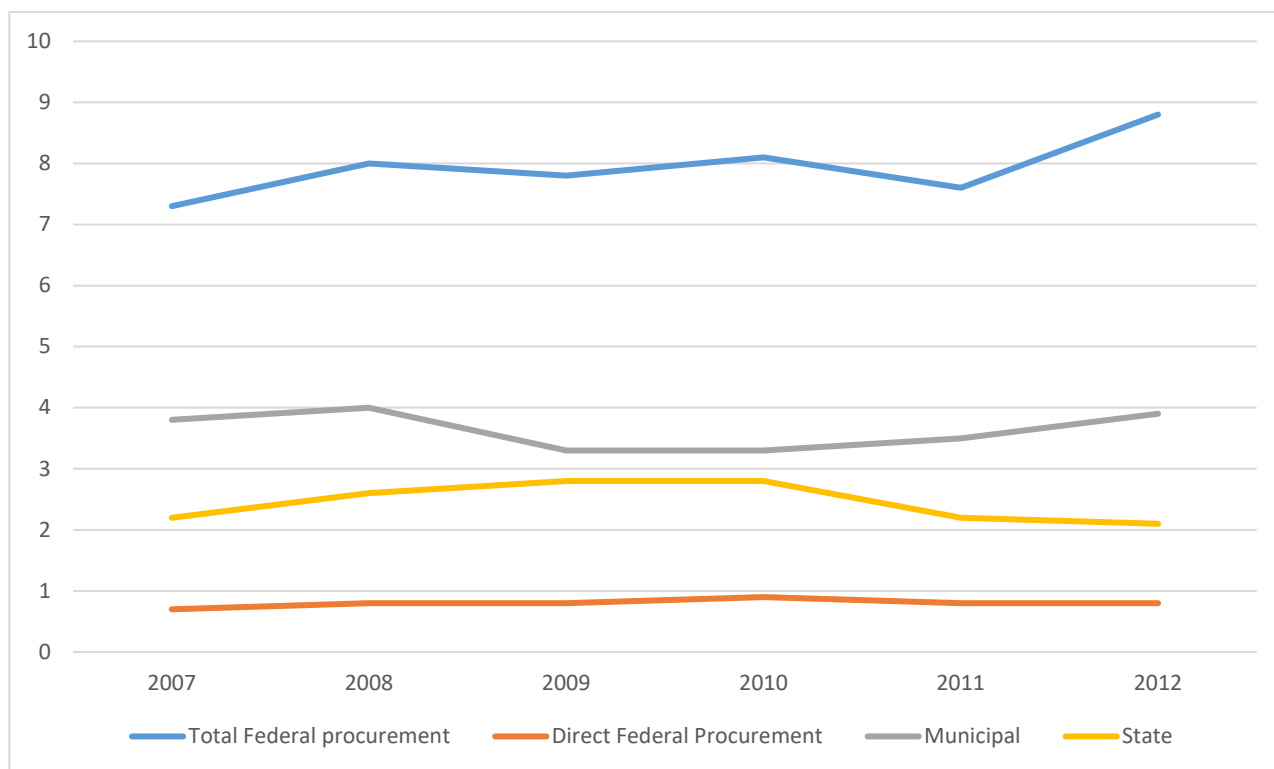
Source: EU-Mercosur Agreement in principle – Appendix.

Table 33 Comparison of EUMETA with other agreements: summary of key provisions on public procurement

	GPA	Cariforum EPA 2007	EU – Columbia-Peru 2010	EU – Mercosur	CETA
Coverage: Determined by schedules	Extensive: central, sub-central government and state-owned enterprises	To be negotiated	GPA minus; Central and sub-central government	GPA minus Central; government; rendezvous clause (2 years) for sub-central	GPA plus: Inclusion of provincial and most municipal government
National treatment for coverage procurement	NT required; No-off-sets	NT but coverage to be negotiated NT for EU suppliers established in the region;	NT required; No off-sets	NT required; Off-sets for long transition period;	NT required; No -off-sets; NT provided at province level ('provincial treatment')
Transparency	Extensive Transparency requirements; (laws, regulations, details of contracts, post award transparency, [statistics])	Provision of information sufficient to enable effective bids; Less detailed	As in GPA	Broadly as in GPA; notice of intended procurement; post award transparency but nothing on statistics	As in GPA
Contract award procedures	Open, restricted/selective and single tendering	As in GPA	As in GPA	As in GPA	As in GPA
Contract award criteria	Lowest price or economically most advantageous bid	Lowest price or most advantageous based on previously	Lowest price or most advantageous based on previously	?	Lowest price or economically most advantageous bid

		determined criteria	determined criteria		
Technical specifications	International standards (or default national); performance standards	No reference	performance standards	Less specific (no use of specifications or conformity assessment to limit competition)	As in GPA
Exceptions (not based on schedules)	National security and most ministry of defence contracts	National security and most ministry of defence contracts	National security and most ministry of defence contracts	National security and most ministry of defence contracts	National security and most ministry of defence contracts
Bid challenge	Independent administrative or judicial review	As in GPA	As in GPA	As in GPA	As in GPA
Institutional arrangements	WTO Government Procurement Committee	No provision	?	Tasked with further mutual opening, statistical cooperation	?
Cooperation	Non-binding technical assistance	EU capacity building and exchange of expertise	Non-binding provisions on technical cooperation	Cooperation on sustainable procurement, micro and small and medium sized enterprises	
Differentiation	Developing countries may negotiate – exceptions from NT for infant industry support, regional preferences and off-sets	EU only offers access	EU offers less than full reciprocity	Off-sets negotiated for Mercosur	Reciprocity

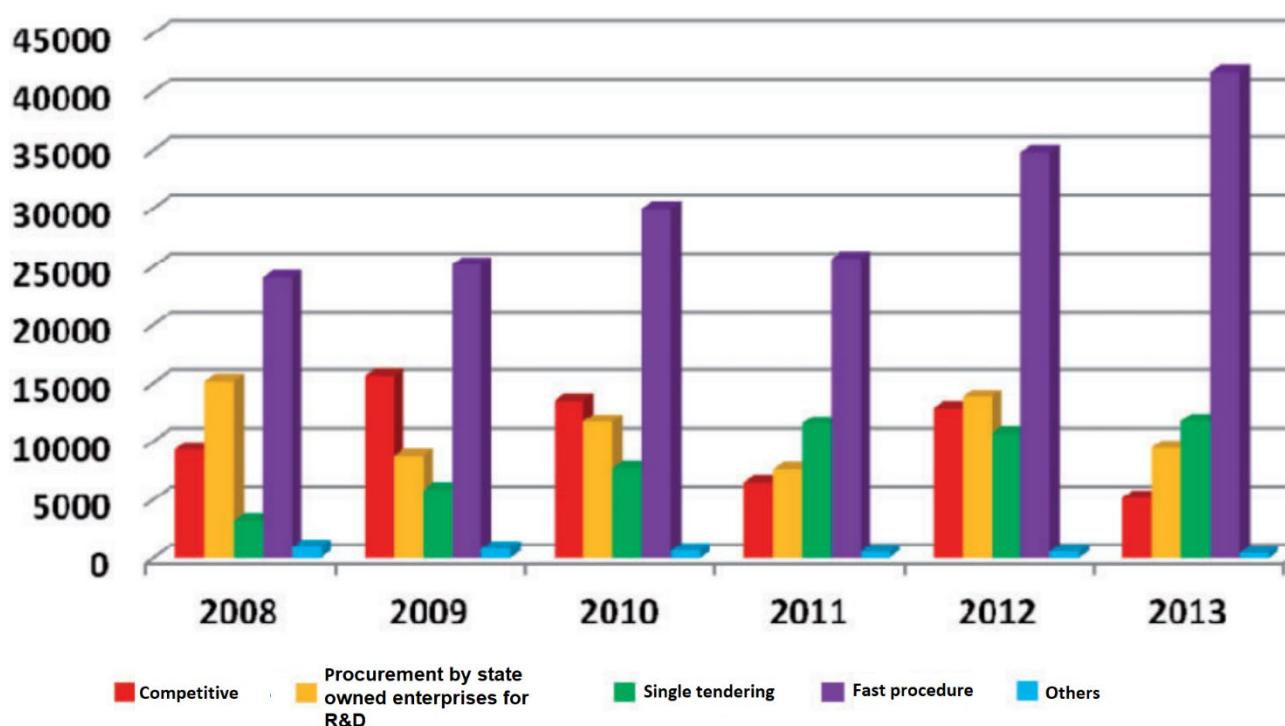
Figure 38 Brazilian Public Procurement by level of government (% of GDP)



Note: Direct procurement is that conducted by ministries and the difference between direct and total federal procurement is mostly accounted for by state owned or regulated entities such as Petrobras (4.6 % of GDP) and Electrobras (0.7 % of GDP).

Source Ribeiro et. al.

Figure 39 Public tenders by type of procedure



Source: own elaboration of Sorte op.cit.

Table 34 Argentina: commitments on business services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
1. Business Services								
A Professional Services								
Legal Services	P	F	F*	P	F	F	F	P
Accounting, auditing and book-keeping services	P	F	F*	P	F	F	F	P
Architectural Services	P	F	F*	P	F	F	F	P
Engineering Services	P	F	F*	P	F	F	F	P
B Computer Related Services								
Consultancy services related to the installation of computer hardware	F	F	F	P	F	F	F	P
Software implementation services	F	F	F	P	F	F	F	P
Data processing services	F	F	F	P	F	F	F	P
Database services	F	F	F	P	F	F	F	P
Other	F	F	F	P	F	F	F	P
F Other business services								
Advertising services	F	F	F	P	F	F	F	P
Market research and public opinion polling services	F	F	F	P	F	F	F	P
Management consulting services	F	F	F	P	F	F	F	P
Services incidental to mining	F	F	F	P	F	F	F	P
Building cleaning services	F	F	F	P	F	F	F	P
Assembly or convention services	F	F	F	P	F	F	F	P
Other	F	F	F	P	F	F	F	P

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule. *Indicates liberalisation relative to existing GATS commitments.

Table 35 Brazil: commitments on business services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
1. Business Services								
A Professional Services								
Legal Services	U	U	P*	U	U	U	F*	U
Accounting, auditing and book-keeping services	P	U	P	P	U	U	P	P
Architectural Services	U	U	P	P	U	U	F	P
Engineering Services	U	U	P	P	U	U	F	P
B Computer Related Services								
Consultancy services related to the installation of computer hardware	-	-	-	-	-	-	-	-
Software implementation services	-	-	-	-	-	-	-	-
Data processing services	-	-	-	-	-	-	-	-
Database services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
F Other business services								
Advertising services	U	U	P	P	U	U	P	P
Market research and public opinion polling services	U	F*	F	P	U	F*	F	P
Management consulting services	U	F*	F	P	U	F*	F	P
Services related to management consulting	U	F*	F*	P	U	F*	F	P
Building cleaning services	U	U	F	P	U	U	F	P
Other: Translation and interpretation services	U	U	F	P	U	U	F	P

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule.

*Indicates liberalisation relative to existing GATS commitments.

Table 36 Paraguay: commitments on business services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
1. Business Services								
A Professional Services								
Legal Services	F*	F*	P*	U	F*	F*	P*	U
Accounting, auditing and book-keeping services	U	U	F*	U	U	U	F*	U
Architectural Services	-	-	-	-	-	-	-	-
Engineering Services	-	-	-	-	-	-	-	-
B Computer Related Services								
Consultancy services related to the installation of computer hardware	F*	F*	F*	P	F*	F*	F*	P
Software implementation services	F*	F*	F*	P	F*	F*	F*	P
Data processing services	F*	F*	F*	P	F*	F*	F*	P
Database services	F*	F*	F*	P	F*	F*	F*	P
Other	F*	F*	F*	P	F*	F*	F*	P
F Other business services								
Management consulting services	F*	F*	F*	P	F*	F*	F*	P
Building cleaning services	U	F*	F*	P	U	F*	F*	P
Assembly or convention services	F*	F*	F*	P	F*	F*	F*	P

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule. *Indicates liberalisation relative to existing GATS commitments.

Table 37 Uruguay: commitments on business services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
1. Business Services								
A Professional Services								
Legal Services	U	F*	F*	P*	U	F*	F*	P*
Accounting, auditing and book-keeping services	U	F*	F*	P*	U	F*	F*	P*
Architectural Services	U	F*	F*	P*	U	F*	F*	P*

Engineering Services	U	F*	F*	P*	U	F*	F*	P*
B Computer Related Services								
Consultancy services related to the installation of computer hardware	F	F	F	P	F	F	F	P
Software implementation services	F	F	F	P	F	F	F	P
Data processing services	F	F	F	P	F	F	F	P
Database services	F	F	F	P	F	F	F	P
Other	F	F	F	P	F	F	F	P
D) Real estate services								
Involving own or leased property	F	F	F	P	F	F	F	P
On a fee or contract basis	F	F	F	P	F	F	F	P
E) Rental/leasing services without operators								
Relative to private cars without operator	F	F	F	P	F	F	F	P
Relating to other machinery and equipment without operator	F	F	F	P	F	F	F	P
Other	F	F	F	P	F	F	F	P

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule. *Indicates liberalisation relative to existing GATS commitments.

Table 38 Argentina: commitments of financial services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
7. Financial Services								
A All Insurance services and insurance-related services								
Life, accident and health insurance services	U	U	F*	P	U	U	F	P
Non-life insurance services	U	U	F*	P	U	U	F	P
Maritime and air transport services	U	U	F*	P	F	F	F	P
Reinsurance and retrocession services	U	U	U	U	U	U	U	U

B Banking and other financial services (excluding insurance)								
Acceptance of deposits and other repayable funds from the public	U	F	F	P	U	F	F	P
Lending of all types including consumer credit, mortgage credit, factoring and financing of commercial transactions	U	F	F	P	U	F	F	P
Financial leasing services	U	F	F	P	U	F	F	P
Guarantees and commitments	U	F	F	P	U	F	F	P
Trading on own account or for clients...	U	F	F	P	U	F	F	P
Participation in issues of all kinds of securities	U	F	F	P	U	F	F	P
Asset management	U	F	F	P	U	F	F	P
Settlement and clearing services for financial assets	U	F	F	P	U	F	F	P
Advisory and other auxiliary financial services	F	F	F	P	F	F	F	P
Provision and transfer of financial information	F	F	F	P*	F	F	F	P

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule. *Indicates liberalisation relative to existing GATS commitments.

Table 39 Brazil: commitments on financial services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
7. Financial Services								
A All Insurance services and insurance-related services								
Life, accident and health insurance services	U	U	P*	P	U	U	F*	P
Non-life insurance services	U	U	P*	P	U	U	F	P
Maritime and air transport services	P	P	P	P	P	P	F	P
Reinsurance and retrocession services	P	P	U	P	P	P	U	P
B Banking and other financial services (excluding insurance)								
Acceptance of deposits and other repayable funds from the public	U	P	P	P	U	P	F	P
Lending of all types including consumer credit, mortgage credit, factoring and financing of commercial transactions	U	P	P	P	U	P	F	P

Financial leasing services	U	P	P	P	U	P	F	P
Payment and money transmission services	U	P	P	P	U	P	F	P
Guarantees and commitments	U	P	P	P	U	P	F	P
Trading on own account or for clients...	U	P	P	P	U	P	F	P
Participation in issues of all kinds of securities	-	-	-	-	-	-	-	-
Money broking	-	-	-	-	-	-	-	-
Asset management	-	-	-	-	-	-	-	-
Settlement and clearing services for financial assets	-	-	-	-	-	-	-	-
Advisory and other auxiliary financial services	-	-	-	-	-	-	-	-
Provision and transfer of financial information	-	-	-	-	-	-	-	-
New Financial Services	-	-	-	-	-	-	-	-

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule.

*Indicates liberalisation relative to existing GATS commitments.

Table 40 Paraguay: commitments on financial services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
7. Financial Services								
A All Insurance services and insurance-related services								
Life, freight, property, medical care, liability, body and machinery insurance services	P	U	P	U	P	F*	F	P
Reinsurance and retrocession services	U	U	P	U	U	F*	F*	U
B Banking and other financial services (excluding insurance)								
Lending of all types including consumer credit, mortgage credit, factoring and financing of commercial transactions	U	U	F*	P	U	U	F	P
Advisory and other auxiliary financial services	F*	F*	F*	U	F*	F*	F*	U

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule.

*Indicates liberalisation relative to existing GATS commitments.

Table 41 Uruguay: commitments on financial services

	Market Access				National Treatment			
	M1	M2	M3	M4	M1	M2	M3	M4
7. Financial Services								
A All Insurance services and insurance-related services								
Life, accident and health insurance services	U	U	F	P	U	U	F	P
Non-life insurance services	U	U	P	U	F*	F*	F	P
Maritime and air transport services	P*	P*	P*	U	P*	P*	P*	U
Reinsurance and retrocession services	F	F	F	P	F	F	F	P
B Banking and other financial services (excluding insurance)								
Wholesale deposit services	F*	F*	F	P	F*	F*	F	P
Credit card services	U	U	P	P	F*	F*	F*	P
Payment and money transfer services	U	U	F	P	U	U	F	P
Other bank deposit services	U	U	P	P	F*	F*	F	P
Financial leasing services	U	U	F	P	F*	F*	F	P
Guarantees and commitments	U	U	F	P	U	U	F	P
Participation in issues of all kinds of securities, including under-writing and placement as agent (whether publicly or privately) and provision of services related to such issues	U	U	F	P	U	U	F	P
Money broking	U	U	F	P	U	U	F	P

Notes: M1-M4 illustrate different modes of services supply (M1: cross-border supply, M2: consumption abroad, M3: commercial presence, M4: presence of natural persons). F, P, and U illustrate the type of commitments (F: full commitment, P: partial commitment, U: unbound), – illustrates that the sub-sector is not included in the schedule.

*Indicates liberalisation relative to existing GATS commitments.

Table 42 European Parliament questions regarding the EU-Mercosur agreement 1999-2004

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
23.04.2004	EU-Mercosur relations	Written question to the Commission	José Ribeiro e Castro	UEN	Can the Commission confirm that the signing of this EU-Mercosur agreement is imminent?	TRA	No	No	Yes; President Luiz Inácio Lula da Silva requesting the Portuguese PM, José Manuel Durão Barroso	Yes; imminent signing of the agreement	Yes; confirm
15.04.2004	Caribbean Rum	Written question to the Commission	Glenys Kinnock	PSE	What assurance can the Commission give that this principle will be upheld and that Caribbean rum producers will not be adversely affected from EU-Mercosur Agreement?	AGR; INGO	Yes; Rum producers	No	No	No	Yes; assure
10.10.2003	Possible negotiation of EU-Mercosur agreement	Oral question to the Commission (Rule 43 of the RoP)	Josu Ortuondo Larrea	/	Possible negotiations on EU-Mercosur Agreement: do as with Chile and Mexico?	TRA; NGO	Yes; WTO	No	No	Yes; negotiate with Mercosur on the basis provided by the agreements with Mexico and Chile	Yes; state
22.05.2003	The association between Mercosur and the European Union in the light of the new political situation in Brazil and Argentina. Economic relations with both countries	Oral question to the Commission (Rule 43 of the RoP)	Camilo Nogueira Román	/	What is the state between the EU and both Argentina and Brazil?	TRA	No	No	Yes; Argentina & Brazil	No	Yes; say
28.02.2003	The EU and Brazil	Written question to the Council	Camilo Nogueira Román	Verts/ALE	What measures does the Council intend to take to strengthen relations with Brazil and Mercosur, following the recent election of President Luiz Inácio da Silva	TRA	No	No	Yes; President Luiz Inácio da Silva & Brazil	No	Yes; intend

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
30.01.2003	The EU and Brazil	Oral question to the Council (Rule 42 of the RoP)	Camilo Nogueira Román	/	What measures does the Council intend to take to strengthen relations with Brazil and Mercosur, following the recent election of President Luiz Inácio da Silva	TRA	No	No	Yes; President Luiz Inácio da Silva & Brazil	No	Yes; intend
18.09.2002	Mercosur	Oral question to the Commission (Rule 42 of the RoP)	Luís Queiró	On behalf of the UEN	Cooperation with the Mercosur countries and other Latin American countries should also focus on adopting measures against drug-trafficking, organised crime, terrorism and all related offences, by establishing a joint platform for action in this sphere?	SOC; ORC; FRCO; TRA	No	No	No	No	Yes; intend; consider; suggest
18.09.2002	Mercosur	Oral question to the Council (Rule 42 of the RoP)	Luís Queiró	On behalf of the UEN	Cooperation with the Mercosur countries and other Latin American countries should also focus on adopting measures against drug-trafficking, organised crime, terrorism and all related offences, by establishing a joint platform for action in this sphere?	SOC; ORC; FRCO; TRA	No	No	No	No	Yes; intend; consider; suggest
18.09.2002	Mercosur	Oral question to the Commission (Rule 42 of the RoP)	Carles-Alfred Gasòliba i Böhm and Maria Sanders-ten Holte	On behalf of the ELDR	What is the current state of talks between EU and Mercosur	HR; SOC; TRA	No	No	European Initiative for Democracy and Human Rights'	No	No
16.09.2002	The crisis in the Mercosur countries	Oral question to the Commission (Rule 42 of the RoP)	José Salafranca Sánchez-Neyra, Arie Oostlander and Philippe Morillon	On behalf of PPE-DE	How will EU contribute in alleviating crisis in Latin American countries	SOC; NGO	Yes; EIB; WTO	No	Biregional Solidarity Fund; Argentina; Paraguay; Brazil; Uruguay	Yes; liberalisation on trade and goods according to WTO rules	Yes; believe; assess; evaluate; intend
16.09.2002	The crisis in the Mercosur countries	Oral question to the Council (Rule 42 of the RoP)	José Salafranca Sánchez-Neyra, Arie Oostlander and Philippe Morillon	On behalf of PPE-DE	How will EU contribute in alleviating crisis in Latin American countries	SOC; NGO	Yes; EIB; WTO	No	Biregional Solidarity Fund; Argentina; Paraguay; Brazil; Uruguay	Yes; liberalisation on trade and goods according to WTO rules	Yes; believe; assess; evaluate; intend
13.09.2002	The situation in Mercosur	Oral question to the Commission (Rule 42 of the RoP)	Pedro Marset Campos, Giuseppe Di Lello Finuoli, Luigi Vinci and Hans Modrow	On behalf of GUE/NGL	How does the Commission view the suggestion that Argentina should continue to apply the same IMF recipes that led to its economic collapse?	FRCO; SOC; TRA; ED; NGO	Yes; IMF	No	No	No	Yes; think; recommend ; consider
13.09.2002	The situation in Mercosur	Oral question to the Council (Rule 42 of the RoP)	Pedro Marset Campos, Giuseppe Di Lello Finuoli, Luigi Vinci and Hans Modrow	On behalf of GUE/NGL	How does the Commission view the suggestion that Argentina should continue to apply the same IMF recipes that led to its economic collapse?	FRCO; SOC; TRA; ED; NGO	Yes; IMF	No	No	No	Yes; think; recommend ; consider

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
05.09.2002	Situation in Mercosur	Oral question to the Commission (Rule 42 of the RoP)	Monica Frassoni, Alain Lipietz, Camilo Nogueira Román and Miquel Mayol i Raynal	On behalf of the Verts/ALE	What measures to reactivate the internal economies of Mercosur and to change the criteria for granting loans in order to avoid the criteria of structural adjustment, which has been severely discredited in many countries?	ED; SOC	No	No	Argentina; Brazil; Uruguay	No	Yes; propose
05.09.2002	Situation in Mercosur	Oral question to the Council (Rule 42 of the RoP)	Monica Frassoni, Alain Lipietz, Camilo Nogueira Román and Miquel Mayol i Raynal	On behalf of the Verts/ALE	What measures to reactivate the internal economies of Mercosur and to change the criteria for granting loans in order to avoid the criteria of structural adjustment, which has been severely discredited in many countries?	ED; SOC	No	No	Argentina; Brazil; Uruguay	No	Yes; propose
08.08.2002	State of affairs concerning Mercosur	Oral question to the Commission (Rule 42 of the RoP)	Enrique Barón Crespo	(On behalf of) PSE	Economic measures concerning the Mercosur agreement considering the relentless and unprecedented social and economic decline of some of the Mercosur countries	ED; TRA; SOC; HR; WR	Yes; IMF	No	No	No	Yes; believe; think
08.08.2002	State of affairs concerning Mercosur	Oral question to the Council (Rule 42 of the RoP)	Enrique Barón Crespo	(On behalf of) PSE	Economic measures concerning the Mercosur agreement considering the relentless and unprecedented social and economic decline of some of the Mercosur countries	ED; TRA; SOC; HR; WR	Yes; IMF	No	No	No	Yes; believe; think
06.06.2002	Chambers of Commerce in Mercosur	Written question to the Commission	Fernando Fernández Martín	PPE-DE	What measures is the Commission taking and what plans does it have to promote the role of the Chambers of Commerce in the development of economic and trade relations between the EU and Mercosur?	ED; TRA	No	No	Yes; Chambers of Commerce	No	No
23.05.2002	EU-Mercosur relations	Written question to the Council	Camilo Nogueira Román	Verts/ALE	What are the obstacles which will prevent the EU to sign a trade agreement with Mercosur?	TRA	No	No	Yes; Rodrigo Rato (Spanish Minister of Economy)	No	No
16.04.2002	Preparation for the second EU-Latin American-Caribbean summit to be held in Madrid on 17 and 18 May 2002	Oral question to the Commission (Rule 42 of the RoP)	José Salafranca Sánchez-Neyra	(On behalf of the) PPE-DE	Position of the Commission about the EP proposals for the summit (e.g. bi-solidarity fund)	ED; TRA	No	No	No	No	Yes; believe; will; ask; say;
16.04.2002	Preparation for the second EU-Latin American-Caribbean summit to be held in Madrid on 17 and 18 May 2002	Oral question to the Council (Rule 42 of the RoP)	José Salafranca Sánchez-Neyra	(On behalf of the) PPE-DE	Position of the Council about the EP proposals for the summit (e.g. bi-solidarity fund)	ED; TRA	No	No	No	No	Yes; believe; will; ask; say;

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
25.01.2002	The Spanish presidency's position on relations with Mercosur, and Argentina in particular	Written question to the Council	Camilo Nogueira Román	Verts/ALE	Why has Spanish foreign ministry Josep Piqué low interest in putting in the priorities the relations with Mercosur (and instead a priority towards relations with Latin America	TRA	No	No	No	No	No
16.01.2002	Free-trade agreement with Mercosur	Written question to the Commission	Jonas Sjöstedt	GUE/NGL	If the Commission considers it possible to reach a free-trade agreement between the EU and the South American customs union Mercosur in the near future? Is anything currently happening in the negotiations between the Union and Mercosur?	TRA	No	No	No	Yes; trade liberalisation	Yes; consider
30.11.2001	Wine	Oral question to the Commission (Rule 43 of the RoP)	Jaime Valdivieso de Cué	/	What action is the Commission going to take in order to put a stop to Argentina's will to use trade name Rioja, clearly damaging to Spain's wine Rioja designation of origin?	TRA; FRCO	No	No	Yes; Argentina	No	Yes; take action
06.08.2001	EU-Mercosur negotiations	Written question to the Commission	Concepció Ferrer	PPE-DE	Negotiations on trade liberalisation: discussion on the various aspects relating to access for raw materials and tariffs applicable to textiles	TRA	No	No	No	Yes; trade liberalisation	No
11.05.2001	Quebec agreement and EU-Mercosur relations	Written question to the Commission	Joan Colom i Naval	PSE	What says the Commission about the implications of the Quebec agreement for political and trade relations between the European Union and Mercosur	ED; TRA	No	No	Yes; Quebec agreement	Yes; consequences of the Quebec agreement	No; say
02.03.2001	Duties imposed by Brazil on canned peaches	Written question to the Council	Alexandros Baltas	PSE	What will the Commission do in response to Brazil's imposed duty of 55 % on canned peaches also in relation to the upcoming EU-Mercosur agreement?	AG; ED; ENVI;	No	No	No	Yes; what will happen to the duty on peaches imposed by Brazil	Yes; proposes
01.03.2001	Duties imposed by Brazil on canned peaches	Written question to the Commission	Alexandros Baltas	PSE	What will the Commission do in response to Brazil's imposed duty of 55 % on canned peaches also in relation to the upcoming EU-Mercosur agreement?	AG; ED; ENVI;	No	No	No	Yes; what will happen to the duty on peaches imposed by Brazil	Yes; proposes
10.01.2001	Improving the EU's trade relations with Mercosur and Chile	Written question to the Commission	Salvador Garriga Polledo	PPE-DE	The Commission should propose that a monitoring centre be set up in Madrid, to improve EU's trade relations with Mercosur and Chile	ED	No	No	No	No	Yes; proposes

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
12.05.2000	Social standards and workers' rights environmental clauses in world trade	Written question to the Commission	Ilka Schröder	Verts/ALE	Critic about EU's fail to include social standards such as workers' right in the EU-Mexico trade agreement and questions about the future trade agreements	WR; HR; SOC; ENVI	No	Yes; bilateral agreement between the EU and Mexico	No	Yes; goals to have social standards	No
02.05.2000	Question Time pursuant to Rule 43 of the Rules of Procedure	Oral question to the Commission (Rule 43 of the RoP)	Elly Plooij-van Gorsel	ELDR	Critic about the fact that only one producer of braided gabions and gabion matting in Europe meets the condition set out in the tender documents on supply of gabion matting to Bolivia	ED	No	Yes; 11.2.2000 on supply of gabion matting to Bolivia	No	No	Yes; invites
27.04.2000	Proposal for an European Parliament and Council regulation on the closure of the ECIP programme	Written question to the Commission	María Ayuso González	PPE-DE	Proposal for an EP and Council regulation on the implementation of the European Communities Investment Partners financial instrument (ECIP), in which it proposed the liquidation of the existing set of programmes (COM(1999) 0726).	TRA	No	No	No	No	Yes; believe; state
11.02.2000	European invitation to tender for EU contract for supply of gabion matting to Bolivia	Written question to the Commission	Elly Plooij-van Gorsel	ELDR	European tendering procedure published on 22nd November 1999 – Ask the Commission why the tender conditions include a 'certificate of origin' either from EU or Mercosur or Bolivia and Chile and how much was the EU budget entry	EBU; ED	No	Yes; European tendering procedure published on 22nd November	Yes; to Chile and Bolivia	No	Yes; ask
18.01.2000	Rules of origin in free-trade agreements	Written question to the Commission	Concepció Ferrer	PPE-DE	Ask the Commission to not make any concessions/derogations regarding full-trade agreement with Mercosur – like it has been made with the bilateral agreement with Mexico	TRA	No	Yes; bilateral agreement between the EU and Mexico	No	Yes; no full-trade liberalisation	Yes; ask
24.11.1999	Letter of amendment to the Latin American and Asian items in the 2000 Budget	Written question to the Commission	José Salafranca Sánchez-Neyra	PPE-DE	Why has the Commission cut the EU budget related to Latin American and Asian countries while pushing for negotiations and cooperation between these same countries	EBU; HR; ED	No	YES; preliminary draft budget for 2000	No	No	No

Table 43 European Parliament questions regarding the EU-Mercosur agreement 2004-2009

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
09.06.2008	Argentine economic treatment of the Falkland Islands	Written question to the Commission	Syed Kamall	PPE-DE	How will the Commission ensure that our trading partners will give equal and fair treatment to all Member States and their territories under such a trade agreement.	TRA	No	No	Yes; Falkland Islands; Argentina	No	Yes; agree
18.02.2008	Relaunch of the negotiations on the EU-Mercosur partnership agreement	Written question to the Commission	Javier Moreno Sánchez	PSE	Possibility of concluding a partnership agreement which will enable political and institutional dialogue and social and economic cooperation to be strengthened, so that progress can be made in such important areas as immigration, employment, social rights, poverty-reduction and climate change?	TRA; CLIM; SOC; MIG; WR; HR; ED; NGO	Yes; WTO	No	No	Yes; Goal: social and economic cooperation to be strengthened, so that progress can be made in such important areas as immigration, employment, social rights, poverty-reduction and climate change	Yes; provide (info)
28.01.2008	European Union-Latin America and Caribbean Summit (Lima, 16 and 17 May 2008)	Oral question with debate to the Commission (RoP 108)	Martin Schulz, Hannes Swoboda, Pasqualina Napolitano, Manuel António dos Santos, Raimon Obiols i Germà, Claudio Fava, Erika Mann, Sérgio Sousa Pinto, Gabriela Crețu and Luis Yañez-Barnuevo García	On behalf of the PSE	What measures have been adopted by the Commission on the previous EU-LAC Summit and which will it propose on the fifth to be held in May 2008 in Lima?	TRA; SOC; MIG; HR; ED; ENVI; CLIM; ONG	Yes; IMF; UN; World Bank	No	No	No	Yes; propose

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
28.01.2008	European Union-Latin America and Caribbean Summit (Lima, 16 and 17 May 2008)	Oral question with debate to the Council (RoP 108)	Martin Schulz, Hannes Swoboda, Pasqualina Napolitano, Manuel António dos Santos, Raimon Obiols i Germà, Claudio Fava, Erika Mann, Sérgio Sousa Pinto, Gabriela Crețu and Luis Yañez-Barnuevo García	On behalf of the PSE	What measures have been adopted by the Commission on the previous EU-LAC Summit and which will it propose on the fifth to be held in May 2008 in Lima?	TRA; SOC; MIG; HR; ED; ENVI; CLIM; ONG	Yes; IMF; UN; World Bank	No	No	No	Yes; propose
05.09.2007	Negotiations on an Interregional Association Agreement with Mercosur and the new bilateral strategic partnership with Brazil	Oral question with debate to the Commission (RoP 108)	Erika Mann, Carlos Carnero González, Javier Moreno Sánchez and Emilio Menéndez del Valle, Daniel Varela Suanzes-Carpegna and Małgorzata Handzlik, Ignasi Guardans Cambó and Gianluca Susta, Cristiana Muscardini and Eugenijus Maldeikis, Caroline Lucas and Jens Holm and Helmuth Markov	ALDE (2); PSE (3); PPE-DE (2); UEN (2); Verts/ALE (1); GUE/NGL (2)	Commission should explain how the bilateral strategic partnership with Brazil presented in its Communication of 30 May 2007 could be pursued without undermining the bi-regional approach that should be the cornerstone of our relations with Latin America in general and, in particular, with Mercosur	TRA; ED; SOC	No	Yes; EP INI/2006/2035, ssociation Agreement between the EU and Mercosur should be regarded as a priority strategic objective for the EU's external relations	Yes; Brazil	No	Yes; explain; state
12.07.2007	Conclusions of the EU-Brazil bilateral summit and their consequences for the negotiations with Mercosur	Written question to the Commission	Daniel Varela Suanzes-Carpegna	PPE-DE	Explain the conclusion of the EU-Brazil bilateral summit in Lisbon on 4 July and its relevance to Mercosur	TRA	No	No	Yes; Brazil	No	Yes; state
11.06.2007	EU-Brazil strategic partnership	Question for written answer to the Commission	Daniel Varela Suanzes-Carpegna	PPE-DE	This strategic partnership with Brazil could unleash future strategic partnerships with the rest of the Mercosur countries?	TRA	No	No	Yes; Brazil	No	Yes; think; intend
25.04.2007	Animal welfare and international trade relations	Question for written answer to the Commission	Cristiana Muscardini	UEN	What specific provisions on animal welfare does the Commission intend to include in the Mercosur?	TRA; AGR;	No	No	No	No	Yes; intend
05.02.2007	Death penalty in Peru and EU agreements	Written question to the Commission	Marco Pannella, Marco Cappato	ALDE	Commission should call for revision of the terms of its cooperation agreements with Peru, including those drawn up in the framework of Mercosur	HR	No	No	Yes; Peru; Peruvian President Garcia; Statement on the	Yes; revision of terms of cooperation with Peru	Yes; consider

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									Abolition of the Death Penalty		
16.01.2007	Liability of European companies in Argentina and Uruguay	Written question to the Commission	Raül Romeva i Rueda, Cem Özdemir	Verts/ALE	Cellulose factories created disputes between Uruguay and Argentina: what are the Commission's plans?	SOC; ENVI; HR; INMA	Yes; Spanish company Ence and the Finnish industrial group Botnia	No	No	No	Yes; plan
21.11.2006	Outcome of the EU-Mercosur meeting in Rio de Janeiro	Written question to the Commission	Daniel Varela Suanzes-Carpegna	PPE-DE	What was the outcome of the meeting held in Rio de Janeiro on 6 November 2006 between the Mercosur and EU trade blocs? Has a new timetable been drawn up?	TRA	No	No	No	No	No
16.10.2006	Export of Italian products to Mercosur countries	Written question to the Commission	Roberta Angelilli	UEN	Can the Commission help facilitate the expansion of the Italian Clothing market in South America?	TRA; INMA	Yes; Italian clothing industries	No	No	No	Yes; state
13.09.2006	Consequences of the suspension of the Doha talks	Written question to the Commission	Daniel Varela Suanzes-Carpegna	PPE-DE	How will the suspension of the Doha Development Round negotiations affect trade agreements?	TRA; NGO	Yes; WTO	No	No	No	Yes; think; believe
25.01.2006	State of EU-Mercosur negotiations following the WTO summit in Hong Kong	Written question to the Commission	Kader Arif, Sérgio Sousa Pinto	PSE	WTO Summit in Hong Kong: disagreements between the EU and Brazil on agricultural issues and services, on which EU-Mercosur negotiations are centred.	TRA; AGR	Yes; WTO	No	Yes; Brazil	Yes; possibility that outcome of the WTO summit will jeopardise a future agreement between the EU and Mercosur	Yes; consider
20.12.2005	Negotiations on the EU-Mercosur agreement following the WTO Conference	Written question to the Commission	Daniel Varela Suanzes-Carpegna	PPE-DE	WTO Summit in Hong Kong: what is the Commission's strategy regarding the negotiations on the EU-Mercosur agreement?	TRA	Yes; WTO	No	No	No	No
27.10.2005	Venezuela's membership of Mercosur	Oral question to the Commission (RoP 109)	Kader Arif	/	What impact will this state of affairs have on the negotiations between the EU and Mercosur? What impact would have Venezuela's entry in Mercosur alter f the negotiations?	TRA	No	No	Yes; Venezuela	Yes; Venezuela's membership of Mercosur may cause problems	No

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										with the negotiations	
01.09.2005	World Trade Organisation and animal welfare	Written question to the Commission	Robert Evans	PSE	Which provisios on animal welfare will the Commission include into the EU-Mercosur Agreement?	TRA; SUS;ENVI	No	No	Yes; Chile	No	Yes; plan
28.06.2005	Joint approach by Mercosur countries to combating FMD	Written question to the Commission	Albert Maat	PPE-DE	Joint approach by Mercosur countries to combating Foot-and-mouth disease	MED; AGR	No	No	Yes; Brazil, Argentina, Uruguay, Paraguay, Chile and Bolivia	No	No
31.05.2005	Mercosur negotiations, import of sea salt from Brazil	Written question to the Commission	Anne Van Lancker	PSE	Sea salt imported into the EU from Brazil is currently subject to high customs tariffs. What is the state of play in the negotiations between the EU and Mercosur?	AGR; TRA	No	No	Yes; Brazil	No	Yes; expect
31.05.2005	Mercosur negotiations, import of sea salt from Brazil	Written question to the Commission	Saïd El Khadraoui	PSE	Sea salt imported into the EU from Brazil is currently subject to high customs tariffs. What is the state of play in the negotiations between the EU and Mercosur?	AGR; TRA	No	No	Yes; Brazil	No	Yes; expect
07.04.2005	EU-Mercosur trade agreement	Written question to the Commission	Daniel Varela Suanzes-Carpegna	PPE-DE	Interest of both parties in the conclusion of the EU-Mercosur trade agreement, however things seems to have come to a standstill since the technical meeting of 21 and 22 March in Brussels.	TRA	No	No	No	Yes; impasse of the conclusion of the EU-Mercosur agreement	Yes; state; consider; propose
01.04.2005	Mercosur	Written question to the Commission	Luís Queiró	PPE-DE	what stage has been reached in the negotiations between EU and Mercosur?	TRA	No	No	No	No	Yes; say
16.12.2004	Negotiations with Mercosur	Written question to the Commission	Daniel Varela Suanzes-Carpegna	PPE-DE	what steps does the Commission intend to take to resume negotiations with Mercosur?	TRA	No	No	No	No	Yes; intend; believe
03.11.2004	EU-Mercosur	Written question to the Commission	Luís Queiró	PPE-DE	What developments have taken place as a result, what specific factors have impeded the negotiations, and what the outlook is for the months to come?	TRA; AGR; INMA	Yes; European companies and farmers	No	No	No	No
22.09.2004	Mercosur/GATS – Mode 4	Written question to the Commission	Rübig Paul	PPE-DE	To what extent, in any offers under Mode 4, account is taken of probable adjustments in the employment market resulting from the latest EU enlargement. What economic benefits to expect from further openings under Mode 4?	TRA; WR; MIG	No	No	Yes; GATS	No	Yes; expect

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07.09.2004	EU-Mercosur relations	Written question to the Commission	José Ribeiro e Castro	PPE-DE	Mercosur & EU close to a free trade agreement. What are the expected benefits and priorities?	TRA	No	No	Yes; President Luiz Inácio Lula da Silva, Portuguese PM, José Manuel Durão Barroso	No	Yes; confirm; believe
27.07.2004	Mercosur negotiations on eggs and egg products	Written question to the Commission	Ian Hudghton	Verts/ALE	Commission should apply high standards of animal welfare for laying hens also to non-EU countries (Mercosur)	TRA; AGR	No	No	No	No	Yes; take action
20.07.2004	Caribbean Rum	Written question to the Commission	Glenys Kinnock	PSE	What assurance can the Commission give that this principle will be upheld and that Caribbean rum producers will not be adversely affected from EU-Mercosur Agreement?	AGR; INGO	Yes; Rum producers	No	No	No	Yes; assure
11.04.2014	EU-Mercosur free trade agreement	Question for written answer to the Commission (Rule 117)	Silvia-Adriana Țicău	S&D	Can the Commission indicate what progress has been made by negotiations between the EU and Mercosur for the conclusion of a free trade agreement and when the agreement is likely to be signed?	TRA	No	No	No	No	No
27.03.2014	Update on trade talks between the US and the Mercosur bloc	Question for written answer to the Commission (Rule 117)	Diane Dodds	NI	Could the Commission give an update on the bilateral trade talks which are currently taking place between the United States and the Mercosur bloc?	TRA	No	No	Yes; United States & Mercosur block	No	No
05.03.2014	EU-Brazil Summit: Mercosur	Question for written answer to the Commission (Rule 117)	José Ignacio Salafrañca Sánchez-Neyra	PPE	Does the Commission think that the holding of EU-Brazil Summit has given impetus to the negotiation process for the EU-Mercosur Association Agreement	TRA	No	No	Yes; 7th EU-Brazil Summit	No	Yes; think

Table 44 European Parliament questions regarding the EU-Mercosur agreement 2014-2019

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03.03.2014	EU-Mercosur trade agreement	Question for written answer to the Commission (Rule 117)	Sergio Paolo Francesco Silvestris, Oreste Ros	PPE	It appears that several Latin American countries are still at odds with each other over the agreement, due to differing political/economic views (Argentina & Brazil)	TRA	No	No	Yes; Brazilian Prime Minister; Argentina & Brazil	No	No
22.01.2014	Possible EU exchange offer to Mercosur on market access	Question for written answer to the Commission (Rule 117)	Béla Glattfelder	PPE	When does the Commission intend to make its offer to Mercosur on market access?	TRA; AGR	No	No	Yes; Paraguay and Venezuela, and Argentina	No	Yes; intend; plan
16.01.2014	VP/HR – Obstacles to the EU-Mercosur Association Agreement	Question for written answer to the Commission (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	Would the European External Action Service be able to assess what continue to be, the main obstacles to reaching an Agreement, which has been the subject of negotiation for more than 12 years?	TRA	No	No	Yes; European External Action Service	No	Yes; assess
16.01.2014	Obstacles to the EU-Mercosur Association Agreement	Question for written answer to the Council (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	Would the Council be able to assess what continue to be, the main obstacles to reaching an Agreement, which has been the subject of negotiation for more than 12 years?	TRA	No	No	No	No	Yes; assess
14.01.2014	EU-Mercosur Association Agreement in relation to the term of the Commission	Question for written answer to the Commission (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	Does the Commission believe that it will be possible to bring the negotiations (EU-Mercosur Ministerial Meeting held in Santiago de Chile) to a successful conclusion by this date?	TRA	No	No	Yes; Mercosur Ministerial Meeting	No	Yes; believe
14.01.2014	EU-Mercosur Association Agreement: Obstacles	Question for written answer to the Commission (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	Bearing in mind the foregoing, can the Commission say what have been and still are the main obstacles to reaching an Agreement on which negotiations began over 12 years ago?	TRA	No	No	No	No	No
14.01.2014	EU-Mercosur Association Agreement: dates for the exchange of offers	Question for written answer to the Commission (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	Given that we are now in January 2014 and this exchange has still not taken place, could the Commission please explain why this exchange of offers has not taken place?	TRA	No	No	Yes; Mercosur Ministerial Meeting	No	Yes; think
14.01.2014	EU-Mercosur Association Agreement: opinion and political will	Question for written answer to the Commission (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	What is the Commission's opinion on the postponement of this exchange of offers?	TRA	No	No	Yes; Mercosur Ministerial Meeting	No	No

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14.01.2014	EU-Mercosur Association Agreement: opinion and political will	Question for written answer to the Council (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	What is the Council's opinion on the postponement of this exchange of offers?	TRA	No	No	Yes; Mercosur Ministerial Meeting	No	Yes; believe
10.12.2013	Trade negotiations with Mercosur	Question for written answer to the Commission	Marian Harkin	ALDE	Can the Commission provide information on the current status of the trade negotiations with Mercosur, as well as the indicative timeframe for further proposals?	TRA	No	No	No	No	No
06.12.2013	Impact of the Enabling Act adopted in Venezuela on the association agreement being negotiated with Mercosur	Question for written answer to the Commission	Francisco Sosa Wagner	ALDE	Does it consider the adoption of the Enabling Act granting powers to President Maduro might affect, whether directly or indirectly, the negotiation of the association agreement with Mercosur?	TRA	No	No	Yes; Venezuela & President Maduro	No	Yes; consider
04.12.2013	VP/HR – The European Union and the Pacific Alliance	Question for written answer to the Commission	Nuno Teixeira	PPE	Has the EU already entered into contact with this new economic bloc or is it still negotiating with countries on an individual basis? If so, what kind of talks are going on?	TRA	Yes; WTO	No	Yes; Pacific Alliance (Peru, Chile, Mexico and Colombia); Brazil; Costa Rica Australia, Canada, Ecuador, Spain, France, Guatemala, Honduras, Japan, New Zealand, Panama, Portugal, Paraguay, the Dominican Republic, El Salvador and Uruguay.	No	Yes; think

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04.12.2013	State of play in the negotiations on the agreement between the European Union and Mercosur	Question for written answer to the Commission	Nuno Teixeira	PPE	What is the state of play in the negotiations between the EU and Mercosur and the prospects for their conclusion?	TRA	No	No	Yes; Brazil, Argentina and Chile; Pacific Alliance (Peru, Chile, Mexico and Colombia)	No	Yes; think
20.11.2013	Deforestation	Question for written answer to the Commission	Iñaki Irazabalbeitia Fernández	Vers/ALE	What is the situation concerning the agreement envisaged between the European Union and Mercosur in particular with regard to deforestation?	FODE; ENVI; CLIM; MIP	No	Yes; EP resolution of 24 May 2012 on a resource-efficient Europe [2011/2068(INI)]	Yes; Brazil	No	Yes; intend
06.09.2013	EU-Mercosur Association Agreement	Question for written answer to the Commission (Rule 117)	José Ignacio Salafranca Sánchez-Neyra	PPE	What is the current state of negotiations and precisely what stage are they at? When does the Commission expect specific offers to be exchanged?	TRA	No	No	Yes; EU-CELAC Summit; Paraguay & President Cartes	No	Yes; expect
28.08.2013	Dispute with Latin America	Question for written answer to the Commission (Rule 117)	Marc Tarabella	S&D	What view do you take of the demand addressed to the United States by the South American authorities?	TRA	No	No	Yes; Spain, France, Italy and Portugal; United States & Edward Snowden	No	No
19.08.2013	Bankruptcies among European egg producers due to European rules	Question for written answer to the Commission (Rule 117)	Patricia van der Kammen	NI	Does the Commission agree with the PVV that it cannot be the intention that EU policy should destroy an industry in Europe, causing rising unemployment and economic losses?	TRA; AGR; INGO	Yes; European farmers	No	Yes; India, the USA, Ukraine and Argentina; PVV	No	No
20.06.2013	VP/HR – EU-Brazil relations: state of play	Question for written answer to the Commission (Rule 117)	Diogo Feio	PPE	How has the EU improved its dialogue with Brazil?	TRA	No	No	Yes; Brazil; BRICS	No	Yes; believe

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30.05.2013	Block on Brazilian meat entering the European Union	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	What steps has the Commission taken to prevent future attempts to bring contaminated meat into the EU which could pose a threat to food safety and consumer protection?	TRA; AGR; MED	No	No	Yes; Brazil; Art. 169 TFEU	No	No
13.05.2013	Protectionism in Mercosur countries	Question for written answer to the Commission (Rule 117)	Małgorzata Handzlik	PPE	Will the Commission also clarify the probable effects of the raising of such trade barriers on the establishment of the Association Agreement and on the current exclusion of Paraguay and the impact this has on the negotiations?	TRA	Yes; WTO	No	Yes; Paraguay	No	Yes; clarify
11.04.2013	Relations between the EU and Venezuela after the elections	Question for written answer to the Commission (Rule 117)	Antonio López-Istúriz White	PPE	how will the election results in Venezuela affect Mercosur?	TRA	No	No	Yes; Venezuela & President Hugo Chávez	No	No
27.03.2013	Assistance for Mercosur SMEs	Question for written answer to the Commission (Rule 117)	Diogo Feio	PPE	When does the Commission intend to present the conclusions of the study it is currently conducting?	TRA; INGO	Yes; small and medium-sized enterprises (SMEs)	No	Yes; Commission De Gucht	No	Yes; intend
26.03.2013	VP/HR – Clarifications regarding the EU's commitment to concluding an association agreement with Mercosur, and democracy in Paraguay	Question for written answer to the Commission (Rule 117)	Jürgen Klute	GUE/NGL	Will the EU not negotiate with Mercosur unless Paraguay is included and, secondly, 'Paraguay remains a full member of Mercosur'?	TRA	No	No	Yes; Paraguay	No	No
26.03.2013	VP/HR – EU-Mercosur negotiations	Question for written answer to the Commission (Rule 117)	Ana Miranda	Verts/ALE	Does the High Representative believe that the EU should interfere in the internal protocols governing Mercosur?	TRA	No	No	Yes; Paraguay; President Fernando Hugo; German ambassador to Paraguay, Claude Robert Ellner; Republic of Bolivia and	No	Yes; believe

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									the Republic of Chile; Ushuaia Protocol		
14.03.2013	Relations between the EU and the Bolivarian Republic of Venezuela	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	What is the current state of EU-Venezuela relations? How can the EU's recent closer involvement with CELAC help to strengthen EU-Venezuela relations?	TRA	No	No	Yes; EU-CELAC Summit; Venezuela	No	No
28.02.2013	Unasur – The Union of South American Nations II	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	What is the Commission assessment of the progress being made by the South American integration organisations? Does it believe that this could be of benefit to the EU and to the trade relations established with the countries within these blocks?	TRA	No	No	Yes; Unasur Constitutive Treaty; Andean Community of Nations	No	No
28.02.2013	Unasur – The Union of South American Nations	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	Is there potential for a bilateral partnership between the EU and Unasur? If so, under what terms and in which domains, given the different areas that are being integrated with Unasur?	TRA	No	No	Yes; Unasur Constitutive Treaty; Andean Community of Nations	No	No
22.02.2013	Creation by Brazil and the EU of a bilateral committee for increasing joint investment	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	Does the Commission think that the creation of this committee could positively influence the negotiations under way on the EU-Mercosur Association Agreement?	TRA	No	No	Yes; VI Brazil-EU Summit, the Brazilian President, Dilma Rousseff; Brazil	No	Yes; think
22.02.2013	Mercosur to present trade proposals to the EU by October	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	Given that agriculture is one of the major sticking points between the two sides as regards the Association Agreement, does the Commission believe that all EU sanitary and phytosanitary standards will be met before the date set for the submission of these proposals?	TRA; AGR	No	No	Yes; EU Trade Commissioner Karel de Gucht	No	Yes; believe

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20.02.2013	VP/HR – Transatlantic Trade and Investment Partnership: EU policy guidance	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	Both Europe and the United States have placed great emphasis on trade relations with developing countries, particularly with the BRIC economies, and have thus formed agreements in the most diverse areas of economic activity.	TRA	No	No	No	No	No
20.02.2013	EU-Brazil business sector cooperation	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	How can the EU and Brazil support the business sector on both sides in order to promote bilateral trade and investment?	TRA; INMA	Yes; aeronautical, motor vehicle, petrochemical, and electrical and electronic goods industries	No	Yes; CELAC; Brazil	No	No
20.02.2013	Transatlantic Trade and Investment Partnership: Economic and political influence	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	TTIP: How does it plan to internally plan the work that will lead to establishing the new Transatlantic Partnership?	TRA	Yes; WTO	No	No	No	No
20.02.2013	Transatlantic Trade and Investment Partnership – main negotiation hurdles	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	TTIP: Does a road map exist for the conclusion of the Transatlantic Partnership, specifically in terms of negotiating and reaching an agreement among the 27 Member States and the future negotiations with the United States?	TRA	Yes; WTO	No	No	No	No
20.02.2013	Transatlantic Trade and Investment Partnership – sectors of economic activity	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	TTIP: In which areas of economic activity do agreements already exist between the United States and the EU?	TRA	Yes; WTO	No	No	No	No
20.02.2013	Transatlantic Trade and Investment Partnership – economic growth and job creation	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	TTIP: What impact does the Commission expect the future partnership with the US will have in terms of stimulating economic activity?	TRA	Yes; WTO	No	No	No	No
18.12.2012	State of play of trade negotiations with Mercosur	Question for oral answer to the Commission (Rule 115)	Vital Moreira	On behalf of the Committee on International Trade	Can the Commission provide a detailed picture of the state of play of the trade negotiations between EU and Mercosur, after more than two years since the negotiations for an Association Agreement were formally resumed?	TRA	No	No	Yes; EU-CELAC Summit	No	No

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17.12.2012	Beef imports from Brazil – atypical form of BSE	Question for written answer to the Commission (Rule 117)	Elisabeth Köstinger	PPE	What is the Commission's assessment of the impact of the current developments, particularly the long time — two years — taken to obtain the relevant information, against the background of the current trade negotiations with Mercosur?	TRA; MED; AGR	Yes; World Organisation for Animal Health (OIE)	No	Yes; Brazil	No	Yes; consider
12.12.2012	Trade competition and animal welfare	Question for written answer to the Commission (Rule 117)	Chris Davies	ALDE	will the Commission indicate what progress it is making in negotiating the inclusion of such criteria in bilateral agreements, for example with the USA, Japan and Mercosur?	AGR; ENVI; INMA	Yes; WTO; Food Manufacturing Industry	No	No	No	No
09.10.2012	EU trade agreements with third countries	Question for written answer to the Council (Rule 117)	Christine De Veyrac	PPE	does the Council plan henceforth to favour bilateral negotiations between the EU and third countries, instead of with multi-country regional blocs	TRA	No	No	No	No	Yes; plan
17.07.2012	VP/HR – Labour rights in Paraguay	Question for written answer to the Commission (Rule 117)	Raül Romeva i Rueda, Ana Miranda, Franziska Keller, Catherine Grèz	Verts/ALE	Are trade union and labour rights being discussed in the political dialogue with Paraguay?	HR; WR; INGO	Yes; UNI Global Union	No	Yes; Paraguay & President Lugo	No	Yes; intend
16.07.2012	Mercosur developments – the suspension of Paraguay	Question for written answer to the Commission (Rule 117)	Robert Sturdy	ECR	Taking into account the fact that Venezuela has in the past been deeply hostile to trade liberalisation, can the Commission state in what ways it believes these developments are likely to affect the ongoing EU-Mercosur negotiations?	TRA	No	No	Yes; Venezuela & President Chávez; Treaty of Asunción	No	Yes; believe
16.07.2012	Mercosur and Unasur suspend Paraguay until 2013	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	In the meantime, Fernando Lugo has warned of the collapse of democracy and is setting up a parallel cabinet, challenging the legitimacy of the government that replaced him. What is the Commission's position on this matter?	TRA	No	No	Yes; Paraguay & President Lugo	No	No
16.07.2012	Legal planting of marijuana in Uruguay	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	Bearing in mind that Uruguay is a member of Mercosur, what is the Commission's view on this matter? (legal planting of Marijuana)	TRA; DRUG	No	No	Yes; Uruguay & President José Mujica	No	No
16.07.2012	Venezuelan membership of Mercosur	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	Uruguay has raised objections to Venezuelan membership, given that Paraguay did not attend the summit in question, having been suspended after President Fernando Lugo was impeached by Congress	TRA	No	No	Yes; Paraguay & President Lugo; President Cristina Kirchner of Argentina	No	No

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12.07.2012	State of EU-Paraguay trade relations	Question for written answer to the Commission (Rule 117)	Inês Cristina Zuber	GUE/NGL	Does the Commission not see a need to condemn the coup and the violation of the Paraguayan people's democratic rights and the country's constitutional order?	HR	No	No	Yes; Paraguay & President Lugo; Argentina	No	Yes; intend
11.07.2012	Recent events in Paraguay and their impact on EU-Paraguay relations	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	How is the suspension of Paraguay from Mercosur likely to affect the state of EU-Mercosur negotiations towards the association agreement?	TRA	No	No	Yes; Union of South American Nations (UNASUR); Paraguay & President Lugo; EuroLat;	No	No
11.07.2012	Impact on the outermost regions of the EU-Mercosur Association Agreement	Question for written answer to the Commission (Rule 117)	Nuno Teixeira	PPE	How will the EU-Mercosur Association Agreement take due account of the outermost regions?	TRA; AGR	No	No	No	No	No
05.07.2012	Trade agreements between China and Mercosur – implications and prospects for the EU	Question for written answer to the Commission (Rule 117)	Rodi Kratsa-Tsaropoulou	PPE	China has indicated that in The Chinese leader also recommended doubling the trade volume with Mercosur to USD 2 billion and initiating a feasibility study on a free trade area pact between China and Mercosur. Implications for EU-Mercosur Agreement?	TRA	No	No	Yes; China	No	Yes; consider
29.05.2012	VP/HR – Coup in Paraguay	Question for written answer to the Commission (Rule 117)	Raül Romeva i Rueda, Ana Miranda, Catherine Grèze	Verts/ALE	Does the EU intend to categorise the impeachment of Fernando Lugo as a coup d'état? Does it consider valid the arguments used to remove him?	MIL	No	No	Yes; Paraguay & President Lugo; Vice President, Federico Franco, from the Authentic Radical Liberal Party (PLRA); UNASUR	No	Yes; intend; plan
29.05.2012	EU-Mercosur Association Agreement	Question for written answer to the Commission	Emer Costello	S&D	will the Commission analyse the potential impact, both positive and negative, for agriculture, industry and services and on employment by Member States, and also on the developing countries?	ED; AGR; INMA	No	Yes; EP resolution of 23 June 2011 on the CAP towards 2020	No	No	No

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16.05.2012	EU-Mercosur Free Trade Agreement negotiations	Question for written answer to the Commission	George Lyon	ALDE	Can the Commission guarantee that there will be no exchange of offers until Argentine trade policy has returned to normal?	TRA	Yes; WTO	No	Yes; Argentina	No	Yes; guarantee
16.05.2012	Usurpation of the Rioja appellation	Question for written answer to the Commission	Esther Herranz García	PPE	In the view of the Commission, what measures could be adopted to avoid this usurpation? (Rioja appellation)	TRA; AGR	Yes; WTO	No	Yes; Argentina	Yes; plan to raise this issue (Rioja appellation) in negotiations with Mercosur?	Yes; intend; plan; secure
03.05.2012	Nationalisation of Red Eléctrica Española in Bolivia	Question for written answer to the Commission	Ramon Tremosa i Balcells	ALDE	Does the Commission not consider it necessary to take strong measures to prevent further expansion of this wave of populist nationalisations?	TRA; INMA; INGO; ENE	Yes; TDE (Transportadora de Electricidad)	No	Yes; Bolivia & Evo Morales	No	Yes; plan; consider
23.04.2012	Argentine government decision to expropriate YPF	Question for written answer to the Commission	Nuno Melo	PPE	What are the implications of the Argentine Government's decision to expropriate 51 % of YPF for the attempt to renegotiate the trade agreement between the EU and Mercosur?	TRA; ENE	No	No	Yes; Argentina; YPF	No	No
20.04.2012	Agreement between the European Union and Mercosur	Question for written answer to the Commission	Nuno Teixeira	PPE	Commission believes the agreement currently being negotiated with Mercosur could be affected by Argentina's present stance? What the potential trade implications are for the EU?	TRA; ENE	No	No	Yes; Argentina; YPF	No	Yes; believe
16.04.2012	Trade agreement with Mercosur	Question for written answer to the Commission	Esther Herranz García	PPE	What quality and consumer protection standards does the Commission require of products from Mercosur countries?	TRA; AGR	No	No	No	No	No
13.04.2012	Liberalisation measures to encourage pan-European growth	Question for written answer to the Commission	Monika Flašíková Beňová	S&D	How will the Commission respond to the calls from for the implementation of liberalisation measures to encourage pan-European growth	TRA; ED	No	No	Yes; Slovak Republic, the United Kingdom, the Netherlands, Italy, Estonia, Latvia, Finland, Ireland, the Czech	No	No

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									Republic, Spain and Poland.		
11.04.2012	EU-Argentina trade relations	Question for written answer to the Commission	Robert Sturdy	ECR	Should Argentina continue along the path to protectionism, is the Commission considering further, more punitive, actions such as proposals to remove preferences for Argentina under the current GSP scheme?	TRA	Yes; WTO	No	Yes; Argentina	No	Yes; consider; foresee
28.03.2012	The impact of the free trade agreements with Central American countries, Mercosur, Peru and Colombia on the economies of EU countries	Question for written answer to the Commission	Pawel Zalewski	PPE	An analysis of the expected impact of the free trade agreements with Central American countries, Mercosur, Peru and Colombia on the economies of individual MSbe made available (the industrial sector, services and agriculture)	TRA; AGR	No	No	Yes; Central American countries, Mercosur, Peru and Colombia	No	Yes; request
26.03.2012	Developments regarding the EU-Mercosur Agreement	Question for written answer to the Commission	Nuno Texeira	PPE	Is the Commission thinking of including chapters on environmental clauses – as regards plant health – and social clauses?	TRA; ENVI; SOC; TECH; AGR	No	No	No	No	Yes; intend; think
01.03.2012	Factoring animal welfare issues into free-trade agreements	Question for written answer to the Commission (Rule 117)	Martin Häusling	Verts/ALE	What strategy is the Commission pursuing in including animal welfare standards in World Trade Organisation agreements, and which animal welfare issues play a role in this connection?	ENVI; AGR	No	No	No	No	No
13.02.2012	VP/HR – The European Union's mediation in the conflict regarding the sovereignty of the Falkland Islands between the United Kingdom and the Argentine Republic	Question for written answer to the Commission (Rule 117)	Ana Miranda	Verts/ALE	Are you going to intercede and mediate in this conflict in which a Member State has an enormous responsibility	MIL	No	No	Yes; United Kingdom & Argentina	No	No
13.02.2012	VP/HR – The Falkland Islands conflict and its impact on bilateral	Question for written answer to the Commission	Ana Miranda	Verts/ALE	Which preventive measures have been taken by the European External Action Service? Which additional measures will be taken in the event that the United Kingdom maintains its position?	MIL	No	No	Yes; United Kingdom & Argentina	No	Yes; propose

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	European Union-Mercosur relations										
31.01.2012	Exports of peach jam to Brazil	Question for written answer to the Commission (Rule 117)	Georgios Papastamkos	PPE	How does the Commission view Brazil's position on the issue in question and what action does it intend to take in the EU-Mercosur negotiations in progress?	TRA; AGR	No	No	Yes; Brazil	No	Yes; take action
18.01.2012	VP/HR – Banning of boats with a Falkland Islands flag from docking at ports of Mercosur member states	Question for written answer to the Commission (Rule 117)	Marina Yannakoudakis	ECR	can the EEAS give guarantees that it will suspend negotiations on the EU-Mercosur association agreement until all Falkland Islands-flagged ships, with their 150-year-old tradition of docking in those countries' ports, are allowed to proceed unhindered?	MIL	No	No	Yes; Argentina	Yes; suspend the negotiations on EU-Mercosur association agreement	Yes; guarantee
04.01.2012	VP/HR – Mercosur ban on Falkland Islands flagged vessels	Question for written answer to the Commission (Rule 117)	Sir Graham Watson	ALDE	This decision by Mercosur countries, which could be damaging to the territory's inhabitants and economy? What representations has the High Representative made on behalf of the EU to Mercosur on this issue?	MIL; TRA; ED	No	No	Yes; United Kingdom & Falkland Islands	No	No
20.10.2011	Mercosur Agreement	Question for written answer to the Commission (Rule 117)	Ilda Figueiredo	GUE/NGL	Taking into account the study carried out — particularly in the agriculture and forestry sectors — what steps have been taken to avoid negative impacts resulting from trade liberalisation between the EU and Mercosur?	TRA; AGR; FODE	No	No	No	No	Yes; consider
03.10.2011	Regulation of the agricultural market	Question for written answer to the Commission (Rule 117)	Christine De Veyrac	PPE	What steps does the Commission intend to take in the short term in order to ensure a competitive and profitable fruit and vegetable sector, and stability in times of crisis? Are additional measures planned to compensate for losses following the E. coli epidemic?	TRA; AGR; MED; INGO	Yes; European producers of fruit and vegetables	No	Yes; Chile; Morocco; ministers of agriculture of France, Spain, Italy and Greece; Commissioner for Agriculture, Dacian Cioloş	No	Yes; intend
29.09.2011	Decline in trade figures in G7 and BRICS countries	Question for written answer to the Commission (Rule 117)	Rodi Kratsa-Tsagaropoulou	PPE	To what extent is a decline in trade figures being observed in the EU and which MS are the most affected? What progress is being made on the conclusion of future free trade agreements with third countries, for example EU-Mercosur?	TRA	Yes; OECD	No	Yes; Brazil & China; BRICS	No	Yes; expect

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14.09.2011	Mercosur agreement	Question for written answer to the Commission (Rule 117)	Maria do Céu Patrão Neves	PPE	What compensatory measures are planned for regions whose production is mainly centered on sensitive products such as meat and other agricultural products seriously affected by the EU's current trade offer?	TRA; AGR	No	No	No	No	Yes; provide
27.06.2011	Trade agreement with Mercosur/Irish Beef Sector	Question for written answer to the Commission (Rule 117)	Nessa Childers	S&D	What is the Commission's current position on this issue? Are plans for compensation still being discussed as a possibility?	INGO; AGR	Yes; Irish Creamery Milk Suppliers Association (ICMSA)	No	No	No	No
24.06.2011	Impact of Amazon deforestation on Mercosur negotiations/beef imports	Question for written answer to the Commission (Rule 117)	Marian Harkin	ALDE	will this new development have any impact on the continuing negotiations with the Brazilian Government, particularly in the context of beef imports, and if so, what will this impact be	AGR; FODE	No	No	Yes; Brazil	No	No
16.06.2011	EU-Mercosur negotiations and beef production in the Azores	Question for written answer to the Commission (Rule 117)	João Ferreira, Ilda Figueiredo	GUE/NGL	Can the Commission guarantee that the negotiations under way will not prejudice production and marketing for the agricultural and stockbreeding sector in this outlying region, especially in the case of beef production?	AGR; INGO; TRA	Yes; producers' organisation at national and European level	No	Yes; Regional Legislative Assembly of the Azores	No	Yes; guarantee; state
19.05.2011	EU-Mercosur trade agreement	Question for written answer to the Commission (Rule 117)	Christine De Veyrac	PPE	Does the Commission intend to ensure that any EU-Mercosur trade agreement takes the particular needs of the agricultural sector into account & intend to encourage Mercosur to fall into line with the EU's health and environmental standards?	AGR; MED;	No	No	No	No	Yes; intend
10.05.2011	Mercosur trade agreement	Question for written answer to the Commission (Rule 117)	Kriton Arsemis	S&D	Does the Commission's main negotiating body, i.e. the Directorate-General for Trade, have the appropriate knowledge to assess and negotiate on the environmental aspects of the agreement? (climate change, environmental and biodiversity issues)	ENVI; CLIM; FODE; TRA	No	No	Yes; Brazil; EU Directorate-General for Trade	No	No
10.05.2011	Bovine meat and deforestation in the Amazon	Question for written answer to the Commission (Rule 117)	Kriton Arsemis	S&D	What measures does it intend to take to ensure that bovine meat imports into the EU from Brazil do not come from pastures resulting from illegal deforestation? How does it intend to ensure the smooth functioning of the EU bovine meat market?	AGR; FODE; TRA	No	No	Yes; Brazil	No	Yes; intend
10.05.2011	Mercosur	Question for written answer to the Commission (Rule 117)	Gabriel Mato Adrover	PPE	When does the Commission intend to convene the Panel to discuss the impact assessments for the agricultural offers included in the Mercosur negotiations?	TRA; AGR	No	No	No	No	Yes; intend

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10.05.2011	Mercosur	Question for written answer to the Commission (Rule 117)	Gabriel Mato Adrover	PPE	By when does the Commission hope to have completed the impact assessments for the Mercosur negotiations' agricultural offers?	TRA; AGR	No	No	No	No	No
10.05.2011	Mercosur	Question for written answer to the Commission (Rule 117)	Gabriel Mato Adrover	PPE	Does the Commission plan to continue negotiating with Mercosur without the Council having assessed and debated the impact of the agricultural offers?	TRA; AGR	No	No	Yes; Council	No	Yes; plan
06.05.2011	EU Mercosur trade deal	Question for written answer to the Commission (Rule 117)	John Bufton	EFD	Could the Commission provide me with any information garnered from impact assessments, especially on evidence demonstrating how much UK farmers, and, in particular, Welsh farmers, stand to lose? What kind of actions will be taken in order to prevent job losses due to this agreement?	TRA; AGR; INGO	Yes; European farmers UK & Welsh farmers)	No	No	No	Yes; provide (info)
06.05.2011	Mercosur Trade Agreement	Question for written answer to the Commission (Rule 117)	Kriton Arsenis	S&D	Does the Commission's main negotiating body, i.e. the Directorate-General for Trade, have the appropriate knowledge to assess and negotiate on the environmental aspects of the agreement? (climate change, environmental and biodiversity issues)	ENVI; CLIM; FODE; TRA	No	No	Yes; Brazil; EU Directorate-General for Trade	No	No
06.05.2011	Relaunching EU-Mercosur negotiations	Question for written answer to the Commission (Rule 117)	Kriton Arsenis	S&D	What measures has it proposed during the negotiations in May so as to avoid the expected adverse consequences for the natural environment in the Mercosur countries in the event that a trade agreement is concluded?	TRA; AGR; ENVI; FODE	Yes; Copa-Cogeca	No	Yes; Brazil	No	No
06.05.2011	The beef industry and deforestation of the Amazon	Question for written answer to the Commission (Rule 117)	Kriton Arsenis	S&D	What measures does it intend to take to ensure that beef imported into the EU from Brazil does not come from pastureland created by illegal deforestation? How does it intend to ensure that the EU beef market continues to function smoothly?	AGR; FODE; TRA	No	No	Yes; Brazil	No	Yes; intend
18.04.2011	Follow-up question on the Mercosur FTA negotiations (4)	Question for written answer to the Commission (Rule 117)	Kriton Arsenis	ALDE	What form could this compensation take, given that it would have to fall within the WTO green box? Does the Commission consider financial compensation to be a long-term viable solution for EU farmers whose competitiveness will be directly undermined by the trade concessions the Commission has offered Mercosur?	ENVI; AGR	Yes; WTO; European farmers	No	Yes; Commissio ner De Gucht	No	Yes; consider

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18.04.2011	Follow-up question on the Mercosur FTA negotiations (3)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	What would the Commission say are the chances of concluding an agreement, given the clear reservations which have repeatedly been expressed and the fairly negative signals now being sent out by a substantial number of Member State ministers, starting with those from France, Ireland and Spain?	TRA	No	No	Yes; France, Ireland and Spain	No	No
18.04.2011	Follow-up question on the Mercosur FTA negotiations (2)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Given that the Commission considers that everyone has something to gain from a free trade agreement between the EU and Mercosur, would its trade departments explain exactly what they see as being potentially beneficial for EU agriculture in such an agreement?	TRA; AGR	No	No	No	No	Yes; explain
18.04.2011	Follow-up question on the Mercosur FTA negotiations (1)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	If the Commission's aim is still to conclude a free trade agreement between the EU and Mercosur by the end of 2011, could it state exactly when it expects the long-awaited and now urgent updated study on the macroeconomic and sectoral impact of a potential agreement to be published?	TRA	No	No	No	No	Yes; state
01.04.2011	Agricultural negotiations in the context of the EU-Mercosur agreement	Question for written answer to the Commission (Rule 117)	Maria do Céu Patrão Neves	PPE	Will there be compensatory measures for those sectors and/or regions likely to suffer from the agreement? Which of the products concerned appear on the EU's list of sensitive products?	TRA; AGR	No	No	Yes; Portugal & Azores	No	No
21.03.2011	EU agriculture and international trade	Question for written answer to the Commission (Rule 117)	Mairead McGuinness	PPE	Does the Commission plan to take on board the views expressed by Parliament? Can the Commission respond to comments made by the Deputy Director-General of DG Trade that the adoption of the report 'doesn't represent a reduction in the Commission's commitment to a deal (with Mercosur)?'	TRA; AGR	No	Yes; EP report on agriculture and international trade (P7_TA(2011) 0083)	Yes; Deputy Director-General of DG Trade	No	Yes; plan; respond
10.03.2011	Agriculture – EU-Mercosur negotiations on a free trade agreement	Question for written answer to the Commission (Rule 117)	George Lyon, Marian Harkin	ALDE	Can the Commission give details of when the market-offers package will be defined and agreed at Commission level & whether a full impact assessment is being prepared and when such a document would be available to MEP?	TRA; AGR	No	No	No	No	Yes; give (details)
03.03.2011	Bilateral safeguard clauses: EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	Elisabeth Köstinger	PPE	Will a prospective free trade agreement with Mercosur contain bilateral safeguard clauses? What kind of bilateral agricultural safeguard clauses does the Commission intend to draw up, particularly as regards beef and sugar?	TRA; AGR	Yes; WTO	No	Yes; Free Trade Agreement between the European	No	Yes; think; intend

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									Union and the Republic of Korea		
22.02.2011	Mercosur negotiations	Question for Question Time (Part-session: April 2011) Rule 116	Marian Harkin	ALDE	Can the Council give its views on the agricultural aspects of the ongoing Mercosur negotiations?	TRA; AGR	No	No	No	No	Yes; give (views)
18.02.2011	EU-Mercosur trade negotiations	Question for Question Time (Part-session: March 2011) Rule 116	Liam Aylward	ALDE	Can the Commission provide further information on what it is doing to ensure that the interests of European farmers, including beef and livestock farmers, are being properly taken into account?	TRA; AGR; INGO; ENVI; MED	Yes; European farmers (including beef and livestock farmers)	No	No	No	Yes; provide (info)
07.02.2011	EU-Mercosur association agreement	Question for Question Time (Part-session: March 2011) Rule 116	Silvia-Adriana Țicău	S&D	Can the Commission provide information on the state of play of the negotiations, the main difficulties encountered in the negotiating process, and the further stages and calendar that may be expected up to the conclusion of the EU-Mercosur association agreement?	TRA; ED	No	No	No	No	Yes; provide (info)
03.02.2011	Negotiations with Mercosur	Question for written answer to the Commission (Rule 117)	Ilda Figueiredo	GUE/NGL	What stage has been reached in negotiations, in particular with regard to Doha Round issues and sensitive agricultural matters? What is the situation regarding the strategic association with Brazil, launched in July 2007?	TRA; AGR	No	No	Yes; Brazil	No	No
01.02.2011	Free trade agreement between the European Union and Mercosur	Question for Question Time (Part-session: February 2011) Rule 116	Elisabeth Jeggle	PPE	Does the Commission intend to strengthen the current system of health checks on imports and expand it in order that regular checks are carried out in the countries of origin?	TRA; AGR	Yes; European farmers	No	No	No	Yes; intend
27.01.2011	Impact of the trade agreement under negotiation between the EU and Mercosur	Question for written answer to the Commission (Rule 117)	Kriton Arsenis	S&D	What was the actual cost of the SIA, financed by the European Commission? Does the Commission consider that EU agriculture can withstand such an extreme shock of liberalisation, taking into account that both soy and beef production in Brazil benefit from numerous direct and indirect subsidies (WTO, 2009, Brazil Trade Policy Review)?	SUS; AGR; FODE; MIP	No	No	Yes; Sustainability Impact Assessment (SIA)	Yes; if any, of the findings of the SIA have been incorporated into the EU's negotiating position relative to the offers made in 2004?	Yes; consider

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27.01.2011	Agricultural unemployment resulting from the EU-Mercosur trade agreement	Question for written answer to the Council (Rule 117)	Kriton Arsenis	S&D	Does the Council consider that the European Commission Position Paper of July 2010 on the SIA adequately addresses concerns regarding the situations of European farmers and in particular those in the weakest regions of the enlarged EU?	TRA; SUS; AGR; INGO	Yes; European farmers	No	Yes; Sustainability Impact Assessment (SIA)	No	Yes; consider
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	how confident is the Commission in the chances of reaching a meaningful, comprehensive, ambitious and balanced agreement this time?	TRA; AGR	No	No	No	No	No
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement (FTA)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	In the Commission's view, what makes today an appropriate time to re-open the negotiations, compared to 1998? Would it not be fair to admit that the 1998 situation and the present time are pretty similar as regards CAP reform and WTO negotiations?	TRA	No	No	No	No	Yes; explain
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement (FTA)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	How does the Commission intend to implement this objective concretely? (sustainability development)	TRA; SUS; ENVI; WR; ILO	Yes; ILO	No	No	No	Yes; intend
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement (FTA)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	How realistic would the Commission say it is that tariff reductions for agricultural commodities offered to the Mercosur countries should be made conditional on compliance with standards on safety and hygiene, the environment, animal health and welfare and quality, equivalent to those applying to EU products?	AGR; SUS; ENVI; FODE	No	No	Yes; Sustainability Impact Assessment (SIA)	No	No
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement (FTA)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Could the Commission justify the fact that a FTA with Mercosur will further worsen the trade imbalance in agricultural products between these two trading blocs (in 2009, agricultural products represented 55 % of Mercosur exports to the EU [EUR 19.4 billion] while Mercosur absorbed less than 3 % of all EU exports)?	TRA; AGR	No	No	No	No	Yes; justify
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Can the Commission explain how policy-makers are supposed to anticipate the effects of the possible conclusion of a FTA with Mercosur when taking decisions on the new design for the CAP post-2013, as well as when deciding on potential new EU targets for the environment and on the action plan to tackle climate change?	ENVI; CLIM	No	No	No	No	Yes; explain

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24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Can the Commission explain how it intends to reconcile this likely effect with the CAP objectives, including one of fighting land abandonment (which would have very negative consequences on the environment and the social fabric of rural areas), maintaining agricultural production across the EU, including in less favoured areas, and keeping dynamic rural communities?	AGR	No	No	Yes; Sustainability Impact Assessment (SIA)	No	Yes; explain
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Given that the likely winners of a FTA are a few big landowners in the Mercosur countries, who run large modern farm holdings and who are already competitive on the EU market in the absence of a FTA with the EU, then why does the Commission seem ready to jeopardise the CAP, one of its most successful and long-standing policies?	AGR	No	No	No	No	No
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	can the Commission justify the fact that a FTA with Mercosur is likely to worsen the already very unequal land distribution in these countries, against the backdrop of EU development commitments to end hunger in the world?	AGR	No	No	No	No	Yes; justify
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement (FTA)	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	How realistic would the Commission say it is to see an increase in direct payments for agricultural sectors likely to lose out in order to compensate EU farmers affected by the FTA (mostly small farmers, sometimes in less favoured areas, especially in the meat (beef and pig), poultry, dairy, olive oil, sugar, corn, protein crops sectors, etc.)?	AGR	Yes; European farmers	No	No	No	No
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Given that the US Congress has always refused to engage in free trade agreements with the Mercosur, if the EU was to go ahead with such a FTA, then would the EU not be left alone amongst WTO members fully exposed to Latin American fierce competition in agricultural products?	AGR; TRA	Yes; WTO	No	Yes; US Congress	No	No

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24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Does the Commission not expect that a FTA with Mercosur could lead to other Cairns Group members and the US demanding equivalent concessions from the EU, or using the WTO dispute settlement mechanism with the same aim, therefore placing the CAP in a very difficult situation?	AGR; TRA	Yes; WTO; Cairns Group	No	Yes; US	No	Yes; expect
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	how will the EU be able — in the context of the WTO round –to defend a certain degree of import protection for its sensitive agricultural products if it shows that it is ready to grant free trade to Mercosur countries, which are amongst the most competitive in the world in respect of some agricultural commodities?	AGR; TRA	Yes; WTO	No	No	No	No
24.01.2011	Negotiations on an EU-Mercosur free trade agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	an the Commission explain why it considers the timing for reopening the negotiations on a FTA with Mercosur to be appropriate, when WTO talks are still open and seem to be resuming after a period of deadlock?	TRA	Yes; WTO	No	No	No	Yes; explain
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Could the Commission confirm that multilateral trade liberalisation remains the favoured option over bilateral FTAs, and its primary trade policy objective?	TRA	No	No	No	No	Yes; confirm
24.01.2011	Negotiations on an EU-Mercosur free trade agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	A free trade agreement between the EU and Mercosur would make sense for the EU only if it were to lead to the effective opening of Mercosur's manufacturing and services markets. Can the Commission provide figures demonstrating the possibility of such an outcome? What about non-tariff barriers?	TRA; INMA	No	No	No	No	Yes; provide (figures)
24.01.2011	Negotiations on an EU-Mercosur free trade agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Can the Commission tell us specifically the latest estimate of the real income growth the EU would gain from an FTA with Mercosur? In which sectors in particular?	TRA; SUS; ED	No	No	Yes; Sustainability Impact Assessment (SIA)	No	No
24.01.2011	Negotiations on an EU-Mercosur free trade agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	What specifically makes the Commission believe that a free trade agreement would be beneficial for EU trade?	AGR; TRA	No	No	No	No	Yes; believe
24.01.2011	Negotiations on an EU-Mercosur Free Trade Agreement	Question for written answer to the Commission (Rule 117)	George Lyon	ALDE	Can the Commission explain how it is conducting the negotiations with Mercosur as a single trading bloc?	AGR; TRA	No	No	Yes; Common External Tariff	No	Yes; explain

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18.01.2011	Foreign military bases in Latin America	Question for written answer to the Council (Rule 117)	Ilda Figueiredo	GUE/NGL	Does the Council see a need to make representations to the US, Great Britain and NATO, with a view to closing down existing foreign military bases in Latin America?	MIL	Yes; NATO	No	Yes; Falkland Islands by Great Britain; United States	No	No
10.12.2010	EU-Australia agreement	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	Is the Commission considering granting the Mercosur countries similar conditions to those for Australia for the sale of similar products in the Community?	AGR; TRA	No	No	Yes; Australia; Brazil	No	Yes; consider
09.12.2010	EU-Mercosur negotiations	Question for Question Time (Part session: January 2011) Rule 116	Mairead McGuinness	PPE	Can the Commission comment on concerns that Mercosur will target the high-value end of the EU beef market in negotiations? What mitigation measures is the Commission considering to prevent Mercosur producers specifically targeting this market?	AGR; TRA	No	No	No	No	Yes; consider
29.11.2010	Liberalisation of trade with Mercosur countries	Question for written answer to the Commission (Rule 117)	Michail Tremopoulos	Verts/ALE	How will the Commission ensure that any agreement with the Mercosur countries will safeguard sustainable forests and farming in South America?	AGR; TRA	Yes; Copa-Cogeca	No	No	No	Yes; consider; plan
04.11.2010	EU-Mercosur trade negotiations	Question for written answer to the Commission (Rule 117)	Pat the Cope Gallagher	ALDE	Can the Commission state whether it has carried out an impact assessment into the costs and benefits of a bilateral EU-Mercosur trade agreement?	TRA; ED	No	No	No	No	Yes; state
28.10.2010	Negotiations with Mercosur	Question for written answer to the Commission (Rule 117)	Ilda Figueiredo	GUE/NGL	What mandate do the Council and Commission have for these negotiations? Does the previous mandate still hold or is there a new one? What changes have been made?	AGR; TRA	No	No	No	No	Yes; provide (info)
28.10.2010	Mercosur agricultural products	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	Can the Commission state whether the suspicions regarding use of products banned in the EU have proved to be grounded, and if so, give details? Can it explain the nature of the certification required by the EU for Mercosur products?	TRA; AGR; INGO	Yes; Copa-Cogeca (European Farmers — European Agri-Cooperatives)	No	No	No	Yes; state; explain
28.10.2010	EU-Mercosur negotiations	Question for written answer to the Commission (Rule 117)	Nuno Melo	PPE	Can the Commission state in what ways it intends to defend the agricultural sector & how it intends to seek equilibrium between the two?	AGR; TRA	No	No	No	No	Yes; intend

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07.10.2010	Attempted coup in Ecuador	Question for written answer to the Commission (Rule 117)	Raül Romeva i Rueda	Verts/ALE	Does the Commission intend to reinforce protection measures to guarantee democracy in Ecuador or will it maintain a passive stance as it did in the face of the coup in Honduras?	MIL	No	No	Yes; Bolivarian Alliance for the Peoples of Our America (ALBA); Ecuador; Honduras	No	Yes; intend
06.10.2010	For an EU-China-Latin America trilateral dialogue	Question for written answer to the Commission (Rule 117)	Emilio Menéndez del Valle	S&D	Does the Commission not believe that there is a need to adopt an agreement similar to that of Nanjing and encourage trilateral dialogue and cooperation between the EU, China and Latin America?	TRA	No	No	Yes; China; United States; Colombia & Peru	No	Yes; believe
06.10.2010	For an EU-China-Latin America trilateral dialogue	Question for written answer to the Commission (Rule 117)	Emilio Menéndez del Valle	S&D	Does the Council not believe that there is a need to adopt an agreement similar to that of Nanjing and encourage trilateral dialogue and cooperation between the EU, China and Latin America?	TRA	No	No	Yes; China; United States; Colombia & Peru	No	Yes; believe
04.10.2010	Mercosur's Trade Policy and the effect on Europe's agriculture sector	Question for Question Time (Part-session: October 2010) Rule 116	Liam Aylward	ALDE	Can the Commission tell us anything about the current position of the study? Will the study focus on the significant effect this trade policy will have on the agriculture sector in Europe?	AGR; TRA	No	No	No	No	No
20.07.2010	Impact of EU-India Free Trade Agreement on agriculture in the EU	Question for written answer to the Commission (Rule 117)	Elisabeth Köstinger	PPE	Does the Commission consider as has been suggested by Commissioner de Gucht regarding the Mercosur that the EU's high production and processing standards should not apply to imported agricultural products from India, thereby leading to unequal treatment vis-à-vis European agricultural producers?	AGR; TRA	No	No	No	No	No
16.07.2010	Argentina's restrictive measures against the import of European products	Question for written answer to the Commission (Rule 117)	Marielle De Sarnez	ALDE	What action does the Commission plan to take in order to ensure that the Argentinian Government revokes this decision? If these measures remained in place, would the Commission instigate the immediate suspension of Argentinian agricultural imports into the EU?	AGR; TRA	Yes; Food Institute of Argentina	No	Yes; Argentina	No	Yes; plan
14.07.2010	Informal Agriculture Council, September 2010	Question for Question Time of the Council (Part-session: September 2010) Rule 116	Mairead McGuinness	PPE	What conclusions have been drawn by the Belgian Presidency resulting from the high-level CAP conference in Brussels in July? Can the Presidency comment on the upcoming informal Agriculture Council on 19-21 September?	AGR; TRA	No	No	Yes; Agriculture Council	No	No

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08.07.2010	Polymers in free trade agreements	Question for written answer to the Commission (Rule 117)	Cristiana Muscardini	PPE	Can the Commission give details of the sectors to be covered by the free trade agreement with Mercosur, with particular reference to the polymer industry?	TRA; INMA	No	No	Yes; South Korea	No	Yes; give (details)
01.07.2010	Exports of Greek peach compote to Argentina	Question for written answer to the Commission (Rule 117)	Georgios Papastamkos	PPE	Will the Commission, which also negotiates on behalf of the EU-27 in matters concerning external trade relations, investigate this matter immediately? Has Greece officially submitted a request to this effect?	AGR; TRA	No	No	Yes; Argentinian Ministry of Trade	No	Yes; investigate
24.06.2010	EU-Mercosur association agreement	Question for written answer to the Council (Rule 117)	Silvia-Adriana Țicău	S&D	Can the Council provide information on the state of the negotiations for an EU-Mercosur association agreement and the expected timetable for its conclusion?	TRA	No	No	Yes; Lima Summit	No	Yes; provide (info)
22.06.2010	Relaunching trade negotiations with Mercosur	Question for Question Time (Part-session: July 2010) Rule 116	Liam Aylward	ALDE	What is being done to ensure that this direct competition will not undermine the beef industry in Ireland and the EU?	TRA; AGR	No	No	Yes; Ireland	No	No
11.06.2010	Preparations for forthcoming EU-Brazil summit in Brasilia on 14 July 2010	Question for oral answer to the Commission (Rule 115)	Luis Yáñez-Barnuevo García	On behalf of the S&D	In the light of the commitments made by Brazil and the EU in the area of disarmament policy and non-proliferation, how does the EU view the current state of relations between Brazil and Iran? What is the EU's position on Brazil's goal of becoming a permanent member of the UN Security Council, and on its proposals for reforming that body?	CLIM; ENE; SUS; TRA; AGR	Yes; UN Security Council	No	Yes; Brazil; EU-Brazil Summit	No	Yes; intend
11.06.2010	Preparations for forthcoming EU-Brazil summit in Brasilia on 14 July 2010	Question for oral answer to the Council (Rule 115)	Luis Yáñez-Barnuevo García	On behalf of the S&D	how does the Council intend to overcome the divergences within the EU, particularly in the area of agriculture?	CLIM; ENE; SUS; TRA; AGR	Yes; UN Security Council	No	Yes; Brazil; EU-Brazil Summit	No	Yes; intend
11.06.2010	Argentine sanctions against oil extracting companies around the Falkland Islands	Question for written answer to the Commission (Rule 117)	Charles Tannock	ECR	Is the Commission aware of the recent statement by the Argentine Government that it will impose sanctions against companies involved in extracting oil from Falkland Island waters, a UK dependent territory?	MIL; TRA; ENE	No	No	Yes; Argentina; Falkland Island & UK	No	Yes; clarify
11.06.2010	Argentine sanctions against oil extracting companies around the Falkland Islands	Question for written answer to the Council (Rule 117)	Charles Tannock	ECR	Is the Council aware of the recent statement by the Argentine Government that it will impose sanctions against companies involved in extracting oil from Falkland Island waters, a UK dependent territory?	MIL; TRA; ENE	No	No	Yes; Argentina; Falkland Island & UK	No	Yes; clarify

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09.06.2010	Free trade agreement with Mercosur	Question for Question Time (Part-session: July 2010) Rule 116	James Nicholson	ECR	With regard to any future EU free trade agreement with Mercosur, does the Commission intend to carry out an impact assessment on the implications for European agriculture?	AGR; TRA	No	No	No	No	Yes; intend; plan
09.06.2010	Food safety considerations with regard to beef imports from Brazil	Question for written answer to the Commission (Rule 117)	Lorenzo Fontana	EFD	Given that numerous illegal slaughterhouses, which fail to meet their tax and health obligations, are still operational, does the Commission believe that food safety conditions are sufficiently guaranteed in order to protect the health and welfare of consumers?	TRA; AGR; MED	No	No	Yes; Brazil	No	Yes; believe
09.06.2010	Trade negotiations between the EU and Mercosur	Question for written answer to the Council (Rule 117)	Giancarlo Scottà	EFD	how does the Council intend to justify its decision to reopen negotiations with the Mercosur countries?	AGR; TRA	No	No	Yes; Brazil; Commissioner for Agriculture, Dacian Cioloș	No	Yes; intend
09.06.2010	Trade negotiations between the EU and Mercosur	Question for written answer to the Commission (Rule 117)	Giancarlo Scottà	EFD	How does the Commission intend to carry out future negotiations with Mercosur countries? Will it take into consideration the concerns expressed by the various professional associations?	AGR; TRA	No	No	Yes; Brazil; Commissioner for Agriculture, Dacian Cioloș	No	Yes; intend

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04.06.2010	The implications for EU agriculture of the reopening of negotiations with Mercosur with a view to concluding an Association Agreement	Question for oral answer to the Commission (Rule 115)	Mairead McGuinness, Albert Deß, Georgios Papastamkos, Véronique Mathieu, Mariya Nedelcheva, Michel Dantin, Giovanni La Via, Elisabeth Jeggle, Peter Jahr, Christa Kläß, Elisabeth Köstinger, Esther de Lange, Sergio Paolo Frances Silvestris, Astrid Lulling, Béla Glattfelder, Esther Herranz García, Gabriel Mato Adrover, Herbert Dorfmann, Jarosław Kalinowski, Joseph Daul, Maria do Céu Patrão Neves, Czesław Adam Siekierski, Christophe Béchu, Rareş-Lucian Niculescu, Hans-Peter Mayer, Jean-Pierre Audy // James Nicholson, Janusz Wojciechowski // José Bové // George Lyon // Luis Manuel Capoulas Santos, Karin Kadenbach	On behalf of the PPE // On behalf of the ECR // On behalf of the Verts/ALE // On behalf of the ALDE // On behalf of the S&D	What is the precise mandate which has been given to the negotiators with regard to the agricultural aspects of the negotiations? Can the Commission provide Parliament with a detailed analysis of the likely impact on European producers if a deal is agreed on the basis of that mandate? Which measures, if any, does the Commission intend to take to provide adequate compensation for EU producers whose economic interests are adversely affected by an Association Agreement with the Mercosur bloc? How will it ensure that the standards, in terms of food safety, labour conditions, environmental protection and animal welfare, for the products imported from the Mercosur countries are equivalent to those demanded of EU producers?	TRA; AGR; ENVI; WR	No	No	No	No	Yes; provide; ensure
03.06.2010	EU-Mercosur agreement	Question for written answer to the Commission (Rule 117)	Esther Herranz García	PPE							
01.06.2010	Trade negotiations	Question for Question Time (Part-session: July 2010) Rule 116	Marian Harkin	ALDE	Can the Commission clarify the starting point of those negotiations? Furthermore, can the Commission confirm that it will be seeking an ambitious deal which would involve concessions on agriculture, and if so has it given any thought to the economic and environmental impact of those concessions?	AGR; ENVI; TRA	No	No	No	No	Yes; clarify

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01.06.2010	Belgian presidency priorities	Question for Question Time to the Council(Part-session: July 2010) Rule 116	Marian Harkin	ALDE	What is the Belgian Presidency's position with regard to the Mercosur negotiations, given that nine Member States have already voiced their concerns with regard to the relaunching of those negotiations?	TRA	No	No	Yes; Belgian Presidency	No	No
01.06.2010	Trade negotiations between the EU and third countries, and the European agricultural sector	Question for Question Time to the Commission (Part-session: July 2010) Rule 116	Georgios Papastamkos	PPE	What is the Commission's response to the legitimate concerns and criticisms regarding its negotiating strategy with a view to safeguarding the EU's agricultural interests, which is considered to be lacking in transparency and consultation?	AGR; TRA	No	No	No	No	No
01.06.2010	WTO talks	Question for Question Time (Part-session: July 2010) Rule 116	Mairead McGuinness	PPE	Could the Commission outline its view of the stalled WTO talks?	TRA	Yes; WTO	No	No	No	No
01.06.2010	EU trade relations with Brazil	Question for Question Time (Part-session: July 2010) Rule 116	Bendt Bendtsen	PPE	Can the Council make a statement on its future expectations regarding trade relations with Brazil? How have the conditions for establishing a free-trade area between the EU and Brazil/Mercosur improved since the negotiations reached an impasse in 2004?	TRA	No	No	Yes; Brazil	No	No
31.05.2010	Mercosur trade talks	Question for written answer to the Commission (Rule 117)	Alan Kelly	S&D	Can I also ask the Commission if it has formulated any guidelines on the minimum standards that third country imports will have to meet?	SUS; AGR; ENVI	No	No	No	No	No
27.05.2010	Resumption of trade negotiations with the Mercosur countries	Question for written answer to the Commission (Rule 117)	Czesław Adam Siekierski	PPE	Could the Commission provide Parliament's Agriculture Committee with an analysis of the social, environmental and economic consequences and the impact on the agri-food sector of the conclusion of an agreement with the Mercosur countries?	AGR; TRA; ED	Yes; WTO	No	No	No	No
21.05.2010	Latin America-Mercosur negotiations	Question for written answer to the Commission (Rule 117)	Andreas Mölzer	NI	What are the EU's plans with regard to cooperation with the Andean Community (CAN — Bolivia, Columbia, Ecuador and Peru), or have these been rendered obsolete by the free-trade area between Mercosur and the Andean Community?	TRA	No	No	Yes; Andean Community Bolivia, Columbia, Ecuador and Peru	No	Yes; plan
20.05.2010	POSEI financial statement	Question for written answer to the Commission (Rule 117)	Gabriel Mato Adrover	PPE	Has the Commission received an official request from the Spanish Government for an increase in the POSEI financial statement, to compensate banana producers in the Canary Isles?	AGR; TRA	No	No	Yes; Spain & Canary Islands	No	Yes; propose

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22.03.2010	Implications of the trade agreement with Colombia and Peru for bananas and sugar	Written Question to the Commission	Kader Arif	S&D	How are the singular economic and social circumstances of these regions taken into account in the negotiations? Is the Commission aware of the problems that these regions face and can it tell us what it intends to do to resolve them in current and future negotiations?	AGR; TRA	No	No	Yes; Peru & Colombia; Andean Community	No	No
22.03.2010	Impact of the trade agreement between the EU and Andean countries on rum producers from the EU and ACP countries	Written Question to the Commission	Patrice Tirolien	S&D	Will the Commission support the French application to increase the quota (for drinking rum) applied to overseas departments (Council Decision No 2007/659/EC(1)), which has no impact on the Community budget and which is to be considered by the Commission in the second half of 2010?	AGR; TRA	No	No	Yes; Andean Community ; Peru; Colombia	No	No
18.03.2010	EU trade agreement with Peru and Colombia	Written Question to the Commission	Georgios Papastamkos	PPE	Would the Commission state how it justifies the concessions made, given the state of the sugar sector in these countries? Has it taken the impact on the EU sugar sector sufficiently into account?	AGR; TRA	No	No	yes; Peru & Colombia	No	Yes; justify; ensure
01.03.2010	Conclusion of free-trade agreements between the EU and Peru and fast-track negotiations towards other agreements in the run-up to the Madrid summit in May 2010	Written Question to the Commission	Jean-Luc Mélenchon	GUE/NGL	How can the Commission justify its decision to deliberately accord priority to securing profits for the EU's multinationals at the expense of issues of general interest?	TRA; AGR; ENE; MIL; ENVI; HR	No	No	Yes; Peru	No	Yes; justify
23.02.2010	Stage reached in the adoption of the Council decision on the EU-Mexico Agreement on air services	Oral Question for Question Time to the Council (Part-session: April 2010) to the Council; Rule 116	Silvia-Adriana Țicău	/	could the Council indicate what stage has been reached in the adoption of that decision?	TRA	No	No	Yes; Mexico	No	No

Table 45 European Parliament questions regarding the EU-Mercosur agreement 2019-2024

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
30.06.2021	Sustainability impact assessment on the trade agreement between the EU and Mercosur	Question for written answer to the Commission (Rule 138)	Sylwia Spurek, Saskia Bricmont, Anna Cavazzini, Sara Matthieu, Francisco Guerreiro, Michael Bloss, Marie Toussaint, Grace O'Sullivan, Damien Carême, Tilly Metz, Bronis Ropé, Claude Gruffat, Benoît Biteau, Caroline Roose, Bas Eickhout, Monika Vana, Diana Riba i Giner, Salima Yenbou, Hannah Neumann, Philippe Lamberts, Rasmus Andresen, Manuela Ripa, Alviina Alametsä, Thomas Waitz	Verts/ALE	SIA on EU-Mercosur Agreement is not exhaustive. Which are the Commission plans to cope with agricultural, environmental, climatic and deforestation policies?	SUS; ENVI; FODE; CLIM; AGR; TRA	No	No	No	No	Yes; provide (info)
20.05.2021	Impact on EU-Mercosur agreement negotiations of Brazil's draft law concerning environmental licences for economic activities	Question for written answer to the Commission (Rule 138)	Miguel Urbán Crespo	The Left	What impact could have the Brazil's raft Law 3.729 of 2004 on the environmental clauses of the EU-Mercosur Agreement?	TRA; ENVI; CLIM	No	No	Yes; Brazil	No	No
10.05.2021	EU-Mercosur Association Agreement: next steps, sustainability assessment and climate protection	Priority question for written answer to the Commission (Rule 138)	Thomas Waitz, Andreas Schieder, Bettina Vollath, Franc Bogovič, Simone Schmiedtbauer, Maria Noichl, Anna Cavazzini, Herbert Dorfmann, Monika Vana, Yannick Jadot	Verts/ALE (4); S&D(3); PPE (3)	Criticism about sustainability assessment: will the Commission introduce monitoring measures?	SUS; FODE; CLIM; ENVI; HR	NGOs (general)	EP (general)	INTA Committee	No	Yes; intend; propose
28.04.2021	Relaunching the EU-Mercosur trade deal	Question for written answer to the Commission (Rule 138)	Jordan Bardella	ID	The Austrian government opposes to the EU-Mercosur Agreement: is the Commission still pursuing it?	TRA	No	No	Yes; Austria	No	Yes; agree

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09.04.2021	Sustainability impact assessment of the EU-Mercosur trade agreement	Question for written answer to the Commission (Rule 138)	Cindy Franssen	PPE-DE	Why has the Commission not waited for the completion of the sustainability impact assessment before concluding the negotiations for the EU-Mercosur Agreement?	SUS	No	No	No	No	Yes; acknowledge ; ensure
26.03.2021	Follow-up to Written Question E-006203/2020	Question for written answer to the Commission (Rule 138)	César Luena	S&D	Follow-up to quation about measures against deforestation in Amazon, any progress from the Commission?	FODE; ENVI; SUS	No	No	Yes; European External Action Service	No	Yes; intend
25.03.2021	Mercosur Agreement	Question for written answer to the Commission (Rule 138)	Harald Vilimsky	ID	Concerns on Mercosur-EU Agreement regarding pollution, lower product quality and dependence of the EU.	ENVI; AGR; COV19; CLIM; TRA	No	No	No	No	No
25.03.2021	Impact assessment of the EU-Mercosur agreement	Question for written answer to the Commission (Rule 138)	Idoia Villanueva Ruiz	The Left	Why conclude negotiations on EU_Mercosur trade agreement before the sustainability impact assessment has been completed.	SUS; ENVI	No	No	Yes; European Ombudsman, Emily O'Reilly	No	Yes; consider; plan
18.03.2021	Commission inspections in Argentina and South Africa on the use of banned pesticides on citrus fruit	Question for written answer to the Commission (Rule 138)	Inma Rodríguez-Piñero, Clara Aguilera	S&D	Commission inspections in Argentina and South Africa on the use of banned pesticides on citrus fruit. What impact on EU-Mercosur trade agreement?	AGR	No	No	Yes; Argentina; South Africa	No	Yes; confirm
04.03.2021	The impact of EU agriculture policy on the European food market	Question for written answer to the Commission (Rule 138)	Kosma Zlotowski	ECR	The entry into force of the EU-Mercosur agreement limits EU farms' price (much cheaper from Latin America) and there are concerns about food safety	AGR	No	No	Yes; European Green Deal	No	Yes; intend
23.02.2021	Free trade agreements and WTO	Question for written answer to the Commission (Rule 138)	Hélène Laporte	ID	Will the Commission refuses to sign free trade agreement with Mercosur because of the deforestation in Amazon and avoid forced labour.	ENVI; CLIM; FODE; HR; TRA; NGOs, WR	Yes; WTO		Yes; Paris Climate Agreement	No	Yes; refuse
18.02.2021	Brazil – EU Ambassador statements regarding the Bolsonaro Government	Question for written answer to the Commission (Rule 138)	Marisa Matias, José Gusmão	The Left	Is there evidence of the positive environmental attitude of Bolsonaro? Why are there no sanctions?	ENVI; FODE; CLIM	No	No	EU Ambassador to Brazil, Ignacio Ybáñez; Brazil's Environment Minister Ricardo	No	No

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									Salles and Vice-President Valdis Dombrovskis		
10.02.2021	Possible division of the EU-Mercosur agreement	Question for written answer to the Commission (Rule 138)	Manu Pineda	The Left	Criticism about possible division of Mercosur trade agreement in the sense that it will bypass EP's refusal	ENVI; HR; WR; CLIM	No	Yes; EP' resolution (7/10/2020) on the implementation of the common commercial policy – annual report 2018	Yes; Paris Climate Agreement	Yes; Association Agreement cannot be ratified as it stands	Yes; think
26.01.2021	Mercosur: the need to reopen negotiations owing to environmental concerns	Priority question for written answer to the Commission (Rule 138)	Francisco Guerreiro, Tilly Metz, Saskia Bricmont, Anna Cavazzini	Verts/ALE	How will the Commission ensure that these 'additional commitments' include enforceable and sanctionable obligations for sustainability?	ENVI; FODE; CLIM; SUS; MIP; SOC	Yes, Ngos in general	No	Yes; Brazil	No	Yes; ensure
12.01.2021	Forest fires in Brazil in 2020	Question for written answer to the Commission (Rule 138)	Kateřina Konečná	The Left	Impact of Brazil's forest fires on EU-Mercosur trade agreement and on deforestation	FODE; ENVI; CLIM	No	No	Yes; Brazil	No	Yes; express (concern)
17.12.2020	Assessment of impact of the Regional Comprehensive Economic Partnership on EU trade and European interests	Question for written answer to the Commission (Rule 138)	Jordi Cañas	Renew	Impact of RCEP on EU-Mercosur agreement and criticism for putting it on hold	TRA	No	No	Yes; RCEP; Australia, China, Japan, South Korea, New Zealand, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand	No	Yes; undertake (assessment)

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									and Vietnam, Association of South-east Asian Nations		
15.12.2020	Directorate-General for Trade's 2020-2024 Strategic Plan	Question for written answer to the Commission (Rule 138)	Barry Andrews	Renew	How should the time frames for FTAs be interpreted?	TRA	No	No	Yes; Australia; Directorate-General for Trade's 2020-2024 Strategic Plan	No	Yes; provide (explanation); clarify
16.11.2020	Situation in the Amazon and ambassadors' trip to the Amazon	Question for written answer to the Commission (Rule 138)	César Luena	S&D	Which action is the Commission going to take against the increasing deforestation in Amazon?	FODE; CLIM; ENVI	No	No	Yes; Brazilian Vice-President Hamilton Mourão	No	Yes; assess
09.11.2020	Safeguarding the financial interests of EU farms in the context of the EU-Mercosur trade agreement	Question for written answer to the Commission (Rule 138)	Krzysztof Jurgiel	ECR	Has the Commission developed a financial aid programme for EU beef producers whose farms will experience a significant drop in profitability due to this new price pressure?	AGR; TRA; ENVI	No	No	Poland	No	No
23.10.2020	State of play in the ratification process for the EU-Mercosur Association Agreement	Question for written answer to the Commission (Rule 138)	Jordi Cañas	Renew	The Commission should clarify the meaningful commitment on the part of Mercosur regarding the implementation of the Paris Agreement and the fight against deforestation.	TRA; FODE; CLIM	No	No	Dombrovskis; INTA Committee; Paris Agreement	No	Yes; clarify

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13.10.2020	EU-Mercosur agreement – unfair competition against the Italian rice sector and alarm over the safety of imports	Question for written answer to the Commission (Rule 138)	Mara Bizzotto	ID	Alarm about the effects of the EU-Mercosur agreement in relation to unfair competition against Italian and European agri-food products and safety imports (pesticides' use etc.)	TRA; AGR; WR; ENVI; CR; FODE; SUS	Yes; Italian producer organisations	Yes; On 7 October 2020 Parliament expressed its opposition to the ratification of the EU-Mercosur	No	Yes; revise the EU-Mercosur Agreement in terms of food safety, labour protection and environmental sustainability	Yes; ensure
02.09.2020	Illegal logging in the Amazon and the Cerrado	Question for written answer to the Commission (Rule 138)	Sandra Pereira	GUE/NGL	Illegal logging of soy and meat in the Amazon and in the Cerrado. What is the Commission's opinion?	FRCO; AGR; ENVI; MIP	No	No	No	No	Yes; consider
27.08.2020	EU responsibility for the massive destruction of the Amazon forest	Question for written answer to the Commission (Rule 138)	Jean-Paul Garraud, Gilles Lebreton	ID	Brazil's deforestation policy intended to promote livestock farming and the cultivation of soya. Given that 20 % of soya exports come from illegally cultivated land, the EU is largely responsible for this massive destruction of the Amazon forest. What is the impact on the EU-Mercosur Agreement	FODE; AGR; ENVI	No	No	Brazil	No	Yes; intend
15.05.2020	Brazil — attacks on indigenous peoples and the Amazon region	Question for written answer to the Commission (Rule 138)	Miguel Urbán Crespo	GUE/NGL	Presidential decree MP-910 pending Congressional approval and the new rules of the National Indian Foundation (Funai) promote deforestation and land grabbing in protected forest land and indigenous reservations.	MIP; FODE; ENVI	No	No	National Indian Foundation (Funai)	Yes; will the EU-Mercosur Agreement be suspended until the presidential decree promoting deforestation is stopped?	Yes; intend
14.05.2020	Increase in beef imports into the EU	Question for written answer to the Commission (Rule 138)	Alexander Bernhuber	PPE	How does the Commission explain the unusual increase in imports in March 2020 as compared to a year previously and what action will it take against it?	AGR; COV19; TRA	No	No	No	No	Yes; explain; take action
15.04.2020	Continuation of trade negotiations and implementation of	Question for written answer to the Commission (Rule 138)	Svenja Hahn	Renew	Removing trade obstacles will be in favor of EU recovery from the COVID-19 crisis, which is the current status of the agreements and which are the proposed measures?	TRA; COV19	Yes; WTO	No	Yes; Australia; New Zealand	No	Yes; provide (an assessment)

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	trade agreements during the COVID-19 crisis										
28.02.2020	Border adjustment mechanism and free trade agreements	Question for written answer to the Commission (Rule 138)	Pascak Arimont	PPE	How can the 'climate tariff' be reconciled with existing trade agreements such as Mercosur?	CLIM; TRA	No	No	Yes; Vietnam; Canada; European Green Deal	No	No
10.12.2019	Measures to protect European farmers – WTO ruling on the Airbus dispute	Question for written answer to the Commission (Rule 138)	Carmen Avram	S&D	Which specific tools under the Single Common Market Organisation (CMO) Regulation will the Commission decide to use in order to combat any disturbances in the internal market?	AGR; TRA	Yes; WTO; CMO	No	No	No	Yes; consider
06.12.2019	Certifications to develop animal welfare labelling	Question for written answer to the Commission (Rule 138)	Izaskun Bilbao Barandica	Renew	The development of animal welfare certification may help overcome EU farmers' fears about trade agreements such as the one being negotiated with Mercosur.	ENVI; AGR; TRA	No	No	No	No	No
30.11.2019	Unilaterally adopted restrictions on farming in the EU (more green, more expensive)	Question for written answer to the Commission (Rule 138)	Monika Beňová, Miroslav Číž	S&D	The EU is going green, however there is the risk that EU food producers and farmers may not be able to compete with third countries.	AGR; ENVI; CLIM; TRA	No	No	Yes; Germany; Netherlands; France	No	No
26.11.2019	Mercosur, animal welfare and climate change objectives	Question for written answer to the Commission (Rule 138)	Harald Vilimsky	ID	How will the Commission ensure that the EU's minimum animal welfare standards are adhered to in those countries?	CLIM; ENVI; AGR	No	No	Yes; Brazil	No	Yes; believe; ensure
26.11.2019	Concerns about the Mercosur Agreement	Question for written answer to the Commission (Rule 138)	Harald Vilimsky	ID	EU-Mercosur Agreement will limit local farmers, for example due to the fact that the import of beef from these countries and its possible impact on domestic standard	AGR; FODE	No	No	No	No	Yes; assess
23.10.2019	Concerns at imports from Mercosur	Question for written answer to the Commission (Rule 138)	Nicola Procaccini, Carlo Fidanza, Raffaele Fitto, Pietro Fiocchi, Raffaele Stancanelli	ECR	Concerns on Mercosur-EU Agreement regarding agri-food sector: meat, sugar, rice, citrus fruit. What about the protection of Italian products and quality and safety standards?	AGR; INMA; ENVI; MED	Yes; Italian trade associations	No	No	No	Yes; say
22.10.2019	Sugar beet	Question for written answer to the Commission (Rule 138)	Peter Jahr, Lena Düpont, Norbert Lins, Marlene Mortler, Christine Schneider	/	How does the Commission ensure that there is no overcompensation through coupled payments to sugar beet growers in the Member States concerned?	AGR; TRA	Yes; sugar beet farmers	No	Yes; AGRI Committee	No	Yes; ensure; consider

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18.10.2019	European sugar industry: threats and challenges in the context of the Mercosur trade agreement	Question for written answer to the Commission (Rule 138)	Carmen Avram	S&D	The Mercosur agreement could cause 7-10 sugar factories located in the EU to close,	AGR; TRA; INMA; INGO	Yes; sugar manufacturing associations CEFS, EFFAT and CIBE	No	Yes; New Green Deal; High-Level Group on Sugar; Commissioner for Agriculture and Rural Development Phil Hoga	No	No
15.10.2019	Agreement with Mercosur and Economic Partnership Agreement	Question for written answer to the Commission (Rule 138)	José Manuel García-Margallo y Marfil	PPE	Does the Commission not consider that the Economic Partnership Agreement with countries in Southern Africa and the Strategic Partnership Agreement with Mercosur have an impact on our citrus fruit sector?	ED; TRA; AGR	No	No	Yes; Economic Partnership Agreement	No	Yes; consider; plan
15.10.2019	Impact assessments and precautionary measures relating to the EU-Mercosur free trade agreement concerning the mutation of transgenic insects in Brazil	Question for written answer to the Commission (Rule 138)	Emmanuel Maurel	GUE/NGL	What impact assessments will the Commission carry out to ensure precautionary measures are put into place for e.g. genetic modified mosquitos ?	AGR; MED	No	No	Yes; Brazil	No	Yes; carry out (impact assessment)
09.10.2019	Carbendazim and seven pesticide active substances found in citrus fruit from Mercosur and South Africa on sale in the EU	Question for written answer to the Commission (Rule 138)	Sira Rego	GUE/NGL	Is the Commission intending to allow banned substances such as Carbendazim and seven pesticide to be sold in the EU and eaten by EU citizens?	AGR; NGOs; INGO	Yes; Unió de Llauradors (farmers' organisation); Valencian consumers' association; WHO	No	Yes; South Africa	No	Yes; intend
03.10.2019	Genetically modified (GM) soy imports from Mercosur countries and their link to deforestation	Question for written answer to the Commission (Rule 138)	Martin Häusling	Verts/ALE	How often has food or feed containing GM soybeans that have not been authorised in the EU? How often has food or feed containing GM soybeans that have not been authorised in the EU?	AGR; FODE	No	No	Yes; Brazil	No	Yes; provide (info); ensure

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30.09.2019	Impact of the agreement with the Mercosur countries on the European banana sector	Question for written answer to the Commission (Rule 138)	Izaskun Bilbao Barandica	Renew	According to the European association of producers, are produced using plant protection practices that are banned in Europe and in keeping with social and environmental standards which are neither fair nor equal. Will current tariffs be maintained?	AGR; INGO	Yes; European producers of bananas	No	No	No	No
19.09.2019	EU-Mercosur trade agreement – impact assessment and compensation fund	Question for written answer to the Commission (Rule 138)	Mazaly Aguilar	ECR	When does the Commission plan to share with Parliament the impact assessment that it has supposedly undertaken to assess the scope of the agreement? (1 billion compensation fund)	AGR	No	No	Yes; Phil Hogan, Commissioner for Agriculture	No	Yes; plan
16.09.2019	Amazon fires and the Mercosur deal – How can EU citizens trust that the Commission is seriously committed to respecting and enforcing environmental laws and the precautionary principle?	Question for written answer to the Commission (Rule 138)	Carmen Avram	S&D	Does the EU maintains that it is legally committed to respecting the environment and biodiversity in this trade deal, so will it suspend the deal until the fires have stopped and the investigations into the causes have been concluded?	ENVI; FODE; SUS; CLIM	No	No	Yes; France; French President Macron; Brazilian President Bolsonaro; National Institute for Space	Yes; suspend the deal	No
05.09.2019	Protecting and restoring forests	Question for written answer to the Commission (Rule 138)	Agnès Evren	PPE	the Amazon fires and the policy of President Bolsonaro show that certain Mercosur countries are not interested in forest conservation. How does the Commission intend to address the inconsistencies between this communication and the agreement with Mercosur?	FODE; CLIM; ENVI	No	No	President Bolsonaro	Yes; put in place system of penalties	Yes; intend
05.09.2019	Assessing the impact of the EU-Mercosur trade agreement vis-à-vis products with geographical indications	Question for written answer to the Commission (Rule 138)	Ivo Hristov	S&D	Does the agreement cover Bulgarian products with geographical indications and impact on national economies	AGR; TRA	No	No	Yes; Bulgaria	No	No
04.09.2019	Impact of the EU-Mercosur agreement on the European juice processing industry	Question for written answer to the Commission (Rule 138)	Inma Rodríguez-Piñero	S&D	The decision under the EU-Mercosur agreement to eliminate tariffs on the import of orange juice will have a severe impact on the European citrus processing industry and an environmental cost in terms of the leachates resulting from leaving the surplus fruit in the orchards.	AGR; ENVI; INMA	No	No	Yes; Brazil	No	Yes; envisage; foreseen

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02.09.2019	Need for action to tackle the devastating fires in the Amazon	Question for written answer to the Commission (Rule 138)	Dimitrios Papadimoulis, Petros Kokkalis, Elena Kountoura, Konstantinos Arvanitis, Stelios Kouloglou, Alexis Georgoulis	GUE/NGL (6)	What financial, economic and other means will it mobilise as part of a movement of international solidarity to help the population of Brazil and neighbouring countries?	CLIM; FODE	No	No	Yes; France, Finland and Ireland; Germany and Norway	Yes; freeze or halt negotiations and take concrete action against the increasing deforestation of the Amazon	Yes; intend; consider
02.09.2019	Forest fires in the Amazon, global climate change and the impact of agreements concluded between the EU and Mercosur states	Question for written answer to the Commission (Rule 138)	Sylwia Spurek	S&D	Assessment of environmental impact of Mercosur and compatibility with Paris Climate Agreement	ENVI; FODE; CLIM; AGR	No	No	Yes; Paris Climate Agreement; Brazil	Yes; ensure that Mercosur-Agreement is compatible with Paris Climate Agreement	Yes; assess; take action; introduce
29.08.2019	Deforestation of the Amazon rainforest	Question for written answer to the Commission (Rule 138)	Petra De Sutter	Verts/ALE	Deforestation of the Amazon in Brazil close to reaching point of no return. What actions will the Commission undertake to cope with that?	FODE; ENVI; NGO;	Yes; WWF	No	Yes; Brazil	No	Yes; undertake (actions)
12.08.2019	EU-Mercosur agreement: Italian sugar production at risk	Question for written answer to the Commission (Rule 138)	Mara Bizzotto	ID	EU-Mercosur Agreement will lead to an increase in the race-to-the-bottom competition in the EU market caused by Mercosur countries, with low-cost imports which will jeopardise the survival of the Italian sugar industry and its jobs.	AGR; INGO; SUS	Yes; Coprob (beet producers' cooperative)	No	Yes; Paraguay	Yes; review the EU-Mercosur agreement further to the Italian producers' warnings	Yes; intend; review
31.07.2019	Mercosur: high emissions beef	Question for written answer to the Commission (Rule 138)	Matt Carthy	GUE/NGL	Does the Commission agree that reductions in tariffs in agricultural products for countries where CO ₂ -eq per kg are significantly higher than for EU products will negatively affect world emissions	AGR; ENVI	No	No	No	No	Yes; confirm
31.07.2019	Mercosur	Question for written answer to the Commission (Rule 138)	Matt Carthy	GUE/NGL	Can the Commission confirm whether the ruling of the TSD panel or any other environmental aspects of the agreement are binding on the Mercosur countries, meaning that a breach of such conditionality would invalidate the agreement?	SUS; ED; ENVI	No	No	Yes; Trade and Sustainable Development (TSD)	Yes; possibility that a breach of such conditionality could	Yes; confirm

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										invalidate the agreement	
31.07.2019	Financial support for market disturbance caused by the Mercosur deal	Question for written answer to the Commission (Rule 138)	Matt Carthy	GUE/NGL	Which budget line will be used in the next multiannual financial framework (MFF) for this new fund (1 billion for farmers)?	AGR; INGO	Yes; European farmers	No	Yes; Multiannual Financial Framework (MFF)	No	Yes; clarify
31.07.2019	Mercosur ratification process	Question for written answer to the Commission (Rule 138)	Matt Carthy	GUE/NGL	Whether the Council will use the procedure of common agreement (otherwise known as unanimous agreement) rather than qualified majority voting	TRA	No	No	No	Yes; ratification process (unanimity or qualified majority of the Council)	Yes; confirm; intend
31.07.2019	Mercosur ratification process	Question for written answer to the Council (Rule 138)	Matt Carthy	GUE/NGL	Whether the Council will use the procedure of common agreement (otherwise known as unanimous agreement) rather than qualified majority voting	TRA	No	No	No	Yes; ratification process (unanimity or qualified majority of the Council)	Yes; confirm; intend
26.07.2019	Agreement with Mercosur	Question for written answer to the Commission (Rule 138)	Irène Tolleret	Renew	under which budget line such aid would be provided and what market conditions would trigger support measures for the producers concerned? What conditions would farmers have to meet to benefit from EU support?	AGR; INGO	Yes; European farmers	No	No	No	Yes; clarify
25.07.2019	EU trade agreement with Mercosur countries	Question for written answer to the Commission (Rule 138)	Anna Fotyga	ECR	What actions does the Commission intend to take to balance the various animal welfare and environmental standards in the Mercosur countries with the costly requirements for farmers in the EU Member States?	AGR; ENVI; CLIM	No	No	Yes; Phil Hogan, Commissioner for Agriculture	Yes; products from Mercosur should have to meet animal welfare requirements	Yes; intend
24.07.2019	Effects of EU-Mercosur trade agreement on agriculture – in	Question for written answer to the Commission (Rule 138)	Carmen Avram	S&D	Concerns have been raised about the EU-Mercosur Agreement by producers in the sugar, ethanol, beef and poultry sectors	AGR	No	No	Yes; Romania; Ireland;	No	Yes; clarify; justify; oversee

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
	particular poultry, sugar, ethanol and beef								Ukraine; Brazil		
24.07.2019	Structured participation of civil society organisations in the drawing up of the EU-Mercosur Association Agreement	Question for written answer to the Commission (Rule 138)	Inma Rodríguez-Piñero, Helmut Scholz	S&D; GUE/NGL	What would be the most appropriate way to implement this necessary dialogue between the EU and the Mercosur stakeholders.	CIV; INGO	Yes; stakeholders	No	Yes; Domestic Advisory Group (DGAs)	Yes; way to implement dialogue between the EU and the Mercosur stakeholders	Yes; provide (info); say
24.07.2019	Cruelty to horses in Uruguay and Argentina and EU imports of horsemeat from there	Question for written answer to the Commission (Rule 138)	Anja Hazekamp	GUE/NGL	Does the Mercosur agreement provide for the abolition of the horsemeat import tariff?	AGR; NGO	Yes; NGOs (general)	No	Yes; Uruguay; Argentina	Yes; put a stop on horsemeat imports for Uruguay & Argentina	Yes; agree
24.07.2019	EU-Mercosur agreement: urgent revision of the agreement to adequately protect meat production in Italy and Europe	Question for written answer to the Commission (Rule 138)	Mara Bizzotto	ID	Will the Commission consider the possibility of revising the EU-Mercosur agreement in view of the concerns expressed by Italian producers?	AGR; INGO	Yes; Italian producers; Assocarni	No	No	No	Yes; consider; support
23.07.2019	Carbon tax at the EU's borders	Question for written answer to the Commission (Rule 138)	Agnès Evren, Nathalie Colin-Oesterlé	PPE (2)	Given that the announcement of the signing of an agreement with Mercosur has highlighted the need for the carbon tax to be created, how does the Commission plan to implement it?	ENVI	No	No	No	Yes; implement carbon tax?	Yes; intend; plan
22.07.2019	Free Trade Agreement with Mercosur	Question for written answer to the Commission (Rule 138)	Olivier Chastel	Renew	What measures could be taken to combat unfair competition, what aid could be provided to the agricultural sectors, and how such aid could be allocated to agricultural sectors and countries? What about EU agricultural standards?	ILO; AGR; NGO	Yes; International Labour Organisation	No	No	No	No
16.07.2019	EU plant protection provisions forming an international trade barrier	Question for written answer to the Commission (Rule 138)	Pascal Arimont	PPE	How is the Commission ensuring that, in spite of the accusation and the potential trade disputes, effective EU plant protection provisions are not watered down in trade agreements?	TRA	No	No	Yes; Australia, Brazil, Canada, Columbia, Costa Rica, Ecuador, Guatemala, Honduras, Malaysia, Nicaragua,	No	Yes; propose; ensure

Date	Title	Type of Instrument (oral question, written question, INI....)	Author (MEP)	Author (political group)	Content (brief summary)	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
									Panama, Paraguay, Peru, Uruguay and the US		
15.07.2019	EU-Mercosur trade agreement	Question for written answer to the Commission (Rule 138)	Diane Dodds	NI	Can the Commission please provide details of the impact assessment on the implications of the EU-Mercosur trade agreement for agriculture across each of the EU Member States?	AGR;	No	No	No	No	Yes; provide (info)

Table 46 European Parliament reports and resolutions with regard to Mercosur 1994-2021

Date	Doc Reference	Title	Type or resolution	Committee	Rapporteur(s)	Political Groups	Content (brief summary)
16.05.1995	1994/2159(COS)	EU/Mercosur relations: strengthening of the policy	COS	RELA	Jaime VALDIVIELSO DE CUÉ	EPP	Supports the strategy agreed in the EU/Mercosur solemn declaration of 22 December 1994, calls for reciprocal liberalisation of all forms of trade (taking account of the sensitivity of certain products and WTO rules), the promotion of investments and stronger cooperation , calls on the Commission and the Council to take account of the priorities defined in its resolution when concluding the agreement. Calls for political dialogue at parliamentary level between it and the members of the Mercosur interparliamentary delegation to be included in the institutional provisions of the framework agreement .
30.10.1995	1992/1204(CNS)	EEC/Brazil framework agreement for cooperation	CNS	RELA	Manuel PORTO	ELDR	Approves the framework cooperation agreement between the EEC and Brazil. Recalls that Argentina, Brazil, Paraguay and Uruguay plan to create a common market (Mercosur), which should enter into force towards the end of 1994.
18.07.1996	1996/2071(INI)	Implementation of the Common Foreign and security policy CFSP for 1995	INI	AFET	Gerardo FERNÁNDEZ-ALBOR	EPP	Makes a positive assessment of the Union's record on conventional external relations in 1995; in this connection the signing of the agreement with Mercosur ... can be seen as highly significant. Believes that the agreement signed with Mercosur should be seen as a springboard for maximising the Union's political and trade relations with Latin America.
16.01.1997	1995/2270(COS)	The European Union and Latin America:	COS	AFET	Jan BERTENS	ELDR	Insignificant mention of Mercosur

		the present situation and prospects for closer partnership, 1996-2000					
14.04.1997	1995/0126(CNS)	SYNERGY multiannual programme: promotion of international cooperation in energy sector.	CNS	ENER	André SOULIER	EPP	Support for 'Mercosur being eligible for SYNERGY's objective 2 (help non-Community countries who are major producers or consumers of energy to implement energy policies compatible with the Community's and strengthen dialogue and cooperation with those countries) and objective 3 (ensure that the projects that the EC finances in pursuance of its energy objectives do not conflict or compete with EC international cooperation activities).'
12.05.1998	1997/2130(COS)	Control of new synthetic drugs, designer drugs	COS	LIBE	Hubert PIRKER	EPP	Insignificant mention of Mercosur
25.01.1999	1996/0149(CNS)	EC/Chile agreement: partnership and cooperation agreement	CNS	RELA	Ana MIRANDA DE LAGE	SPE	Welcomes the provision, by means of a joint declaration on interregional economic cooperation (Annex III), of a 'pathway' which will, if necessary, permit the coordination of the methods of preparing for the liberalisation of trade with those included in the interregional framework agreement between the EU and Mercosur, as well as consideration of possible Chilean involvement in the joint EU-Mercosur cooperation programmes.
22.03.1999	1995/0261(CNS)	EC/Mercosur agreement: interregional framework cooperation agreement	CNS	RELA	Jaime VALDIVIELSO DE CUÉ	EPP	Approves the conclusion of a framework agreement between the EC and Mercosur. Parliament welcomes the fact that the agreement attached special importance to respect for democratic principles and human rights , one of the foundations of cooperation. However, it criticised the absence of any explicit reference to parliamentary dialogue .
04.05.1999	1997/2301(INI)	Multilateral commercial relations: the European Union and the developing partner countries of the EU	INI	RELA	Alex SMITH	SPE	Calls on the Council and Commission to speed up the negotiations under way with ... Mercosur ... so that they can be completed by 31 December 1999, Urges the Commission and the Council to strengthen the proposals under discussion aimed at establishing new partnerships, consistent with the requirements of the development of the multilateral trade system, with the existing regional blocs (such as Chile and Mercosur),
01.03.2001	2001/2018(INI)	Proposal for a recommendation on the negotiating mandate for an interregional association agreement with Mercosur	INI	AFET	Pedro MARSET CAMPOS	GUE/NGL	Negotiating guidelines should also include the necessary practical mechanisms to ensure that the provisions of the future agreement are fully adjusted to the mandate of the Union Treaty stating that the encouragement of international cooperation and the development and consolidation of democracy and the rule of law and respect for human rights are both objectives of the CFSP, on the basis of the principle of economic and social cohesion and the reduction of inequalities between sectors of society and within regions
15.05.2002	2002/2549(RSP)	Resolution on the 2nd European, Latin-American and	RSP	None	None		Calls on the Council, the Commission and the Mercosur member states to make a clear and energetic fresh commitment to negotiating a partnership agreement

		Caribbean Summit, Madrid, May 2002					
30.05.2002	2002/2556(RSP)	Resolution on the outcome of the second EU-Latin America Summit	RSP	None	None		Reiterates its desire for an agreement to be reached with Mercosur as soon as possible
26.09.2002	2002/2586(RSP)	Resolution on Mercosur	RSP	None	None	EPP, UEN, S&D, ELDR, Greens, GUE/NGL	Negotiations on the Association Agreement
24.10.2002	2002/2592(RSP)	Resolution on the General Affairs Council's position about the International Criminal Court	RSP	None	None		Expects Mercosur to refrain from adopting any agreement which undermines the effective implementation of the Rome Statute
06.06.2005	2004/0216(CNS)	EC/Brazil agreement for scientific and technological cooperation	COS	ITRE	Giles CHICHESTER	EPP	Closer collaboration with Brazil on science and technology will also contribute directly to bring substantial benefits for Europeans, by improving the Community's position in Brazil and, consequently, within Mercosur
12.10.2006	2006/2035(INI)	resolution on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement	INI	INTA	Daniel DE VARELA SUANZES-CARPEGNA	EPP	FTA with three pillars: a political and institutional chapter reinforcing democratic dialogue and political cooperation , a cooperation chapter promoting sustainable economic and social development , and a trade chapter establishing an advanced free-trade area with a broad agenda and a binding dispute settlement mechanism
23.05.2007	2006/2240(INI)	Promoting decent work for all	INI	EMPL	Marie PANAYOTOPOULOS-CASSIOTOU	EPP	Take account of the social dimension, decent work and the recommendations of SIA studies in bilateral and regional trade negotiations (including Mercosur)
07.06.2007	2007/2578(RSP)	Resolution on the draft Commission decision establishing Regional Strategy Papers and Regional Indicative Programmes for Mercosur and Latin America	RSP	None	None		The Commission exceeds its implementing powers laid down in the basic act by including in priority 3 'efforts to strengthen and enhance civil society participation, knowledge of the regional integration process, mutual understanding and mutual visibility'

25.09.2007	2007/2625(RSP)	Negotiations on an Interregional Association Agreement with Mercosur and the new bilateral strategic partnership with Brazil	None	None	None		Questions to the Commission on the negotiations on an Interregional Association Agreement with Mercosur and the new bilateral strategic partnership with Brazil
24.04.2008	2008/2536(RSP)	Resolution on the Fifth Latin America and Caribbean-European Union Summit in Lima	RSP	None	None	EPP-ED, PES, ALDE, UEN, Greens/ALE, GUE/NGL	Proposes that in the economic and commercial field the creation of the Euro-Latin American global interregional partnership area should be based on a model which is compatible with both the WTO and regional integration, to be applied in two stages: a first stage involving the conclusion, at the earliest opportunity, of the negotiations on the EU-Mercosur ... association agreements, Considers it essential to strengthen the parliamentary dimension of the strategic partnership and supports the Latin American request in which the number of Euro-Latin American Parliamentary Assembly members required in order to facilitate the inclusion of the recently constituted Mercosur Parliament is put at 150
18.12.2008	2008/2133(INI)	Impact of counterfeiting on international trade	INI	INTA	Gianluca SUSTA	ALDE	Believes that efforts should be made to include regional trade blocs such as Mercosur into ACTA , in order for them to take part in the negotiations of the agreement, inviting them to commit themselves to guarantee IPRs' respect in their territories
12.03.2009	2008/2288(INI)	EU-Brazil strategic partnership	INI	AFET	Maria Eleni KOPPA	EPP	The accession of the Mercosur Parliament to the EUROLAT Assembly will strengthen EuroLat in its role as a permanent forum for political dialogue between the two regions, the Strategic Partnership should provide fresh impetus for the conclusion of the EU-Mercosur Association Agreement, an EU strategic objective for deepening economic and trade relations, as well as expanding political dialogue and cooperation, between the two regions
06.05.2009	2009/2592(RSO)	Decision on the number of interparliamentary delegations, delegations to joint parliamentary committees, delegations to parliamentary cooperation committees and multilateral parliamentary assemblies	RSO	Conf.o.Pres.	None		Setting up delegations for relations with, i.a., Mercosur, and to the Euro-Latin American Parliamentary Assembly
10.03.2010	2009/2057(INI)	Annual report from the Council to the European Parliament on the main aspects and basic choices of the common foreign	INI	AFET	Gabriele ALBERTINI	EPP	Considers that negotiations on the Association Agreement with the Central American countries as well as progress towards renewed negotiations on the Association Agreement with Mercosur are matters of priority

		and security policy (CFSP) in 2008					
05.05.2010	2009/2213(INI)	EU strategy for the relations with Latin America	INI	AFET	Ignacio SALAFRANCA SÁNCHEZ-NEYRA José	EPP	Welcomes the commitment to relaunch negotiations between the EU and Mercosur, EU-Mercosur Association Agreement affects 700 million people, and would, if concluded swiftly, be the world's most ambitious bi-regional agreement, Calls on the EU to oblige EU-based transnational corporations to apply ecological and social standards established by international agreements , such as the ILO's Decent Work Agenda, in the LAC countries as minimum standards, and not to circumvent those standards
08.07.2010	2010/2732(RSP)	Implications for EU agriculture of the reopening of negotiations with Mercosur	RSP	None	None		Questions regarding agriculture – Resolution failed (compensated by 2010/2110(INI))
21.10.2010	2010/2026(INI)	EU's trade relations with Latin-America	INI	INTA	Helmut SCHOLZ	GUE/NGL	EU-Mercosur Association Agreement could strengthen relations between the parties and be greatly beneficial to them in both political and economic terms. Parliament should be closely involved at all stages of the negotiations. Agriculture issues will probably be one of the sensitive topics in the negotiations. Agricultural imports to be allowed into the EU only if they have been produced in a manner consistent with European consumer protection, animal welfare and environmental protection standards and minimum social standards.
11.11.2010	2010/2916(RSP)	Resolution on the crisis in the EU livestock sector	RSP	None	None	EPP, S&D, ALDE, Greens/EFA, ECR	Calls on the Commission fully to safeguard the interests of European producers in bilateral trade negotiations with Mercosur and other third countries, by avoiding any concessions that could put EU livestock production at risk
08.03.2011	2010/2110(INI)	EU agriculture and international trade	INI	INTA	Georgios PAPANASTASIOU	EPP	Urges the Commission to provide detailed impact assessments taking into account the effects on specific segments of the market arising from the opening up of EU agricultural markets to the Mercosur trade bloc . Considers it unacceptable that the Commission resumed negotiations with Mercosur without making publicly available a detailed impact assessment and without engaging in a proper political debate with the Council and Parliament. Is deeply concerned about the impacts on the EU agricultural sector as a whole of a possible association agreement with Mercosur , given the request made by Mercosur in March 2006 for access to the EU agricultural market. Notes that farm businesses in Mercosur countries have much lower production costs, including land, labour and other capital costs, and that Mercosur producers do not have to meet the same standards as EU producers, with regard to the environment, animal welfare, food safety and phytosanitary measures. Emphasises that a balanced outcome for both parties must be achieved by making sure that the negotiations take full account of consequences and impacts, in particular on environmental and social challenges . Calls on the Commission to carry out an impact assessment on the consequences of such an agreement for the agricultural sector.
27.09.2011	2010/2152(INI)	New trade policy for Europe under the Europe 2020 strategy	INI	INTA	Daniel CASPARY	EPP	Emphasises that the principles expressed in the resolutions of 25 November 2010 adopted by the European Parliament by a large majority on human rights, social and environmental standards in international trade agreements , on corporate social responsibility in international trade agreements and on International trade policy in the context of climate change imperatives , respectively should be horizontally taken into account, and the inclusion of social, environmental standards and human rights should be binding in all FTAs

02.02.2012	2011/2111(INI)	EU foreign policy towards the BRICs and other emerging powers: objectives and strategies	INI	AFET	Jacek SARYUSZ-WOLSKI	EPP	Underscores the importance of Brazil as a leading power of the Mercosur regional integration process;
20.04.2012	2012/2619(RSP)	Resolution on the legal security of European investments outside the European Union	RSP	None	None	ALDE, ECR, EPP, EFD, S&D	The government of the Argentine Republic announced its decision to send a draft law to its Congress in order to validate the expropriation of 51 % of the shares of the YPF hydrocarbons corporation, which is majority-owned by a European company. EP recalls that the objective of the ongoing negotiations on the Association Agreement between the EU and Mercosur is to introduce a framework for economic integration and political dialogue between the two blocks.
12.06.2012	2011/2286(INI)	Defining a new development cooperation with Latin America	INI	DEVE	Ricardo CORTÉS LASTRA	S&D	EU Association Agreement with Mercosur could foster and increase cooperation and development between Latin America and the European Union
17.01.2013	2012/2924(RSP)	Resolution on trade negotiations between the EU and Mercosur	RSP	None	None	EPP, S&D, ECR, ALDE	importance of including respect for democratic principles, fundamental and human rights and the rule of law as well as environmental and social standards in all trade agreements concluded between the EU and third countries, in order to achieve greater coherence in external actions, both reflecting the EU's economic interests and promoting its fundamental values
13.03.2013	2010/0256(COD)	Outermost regions: specific measures for agriculture	COD	AGRI	Gabriel MATO	EPP	Failed amendment for Art. 31 – paragraph 3 b (new): The Commission shall submit a report to the European Parliament and the Council assessing the impact on local production in the outermost regions affected by the possible EU-Mercosur agreement. This report shall be accompanied by a legislative proposal concerning due compensation for the losses of income suffered by producers in the outermost regions of the Union at any given time.
17.12.2013	2011/0269(COD)	European Globalisation Adjustment Fund (EGF) 2014-2020	COD	EMPL	Marian HARKIN	ALDE	EGF shall be to contribute to smart, inclusive and sustainable economic growth and to promote sustainable employment in the Union. The rapporteur proposes that the European Parliament gives its consent to international trade agreements (such as the possible EU-Mercosur FTA) after ensuring that the EGF, particularly in terms of budgetary allocation, will be able to cope with their impact on the labour force of Europe.
16.07.2014	2014/2704(RSO)	Decision on the numerical strength of the interparliamentary delegations	RSO	Conf.o.Pre s.	None		Numerical strength of delegations: Brazil: 14 Members, Mercosur: 19 Members,
13.09.2017	2017/2027(INI)	EU political relations with Latin America	INI	AFET	Javi LÓPEZ	S&D	Speed up EU-Mercosur negotiations in order to get a comprehensive, balanced and mutually beneficial association agreement , vital importance of systematically including rules on corporate responsibility and clauses safeguarding human rights and social rights in the FTA
17.07.2019	2019/2719(RSO)	Decision on numerical strength of interparliamentary delegations	RSO	Conf.o.Pre s.	None		Numerical strength of delegations: Brazil: 14 Members, Mercosur: 19 Members,

Table 47 Encoded European Parliament reports and resolutions

Date	Doc Reference	Type or resolution	Content (Codes)	Making reference to special NGO or Lobby concerns (Y/N; if Y: specify)	Making reference to previous, ongoing or forthcoming EP proceedings (Y/N; if Y: specify)	Making reference to input from any other third party (Y/N; if Y: specify)	Making reference to proceedings within the institutional set-up of Mercosur (Y/N; if Y: specify)	If present in the text: degree of command' with which Parliament addresses the Commission or other institutions
16.05.1995	1994/2159(COS)	COS	TRA, ED, AGR, INMA, INGO	N	N	N	Mercosur parliament	Y, calls
30.10.1995	1992/1204(CNS)	CNS	TRA, ED	N	N	N	N	Y, approves
18.07.1996	1996/2071(INI)	INI	ED	N	N	N	N	Y, welcomes, believes
16.01.1997	1995/2270(COS)	COS	ED, SOC, DRUG	N	N	N	N	Y, stresses
14.04.1997	1995/0126(CNS)	CNS	ED, ENE, TECH	N	N	N	N	Y, approves
12.05.1998	1997/2130(COS)	COS	ED, DRUG	N	N	N	N	y, reaffirms
25.01.1999	1996/0149(CNS)	CNS	ED, TRA	N	N	N	N	Y, approves
22.03.1999	1995/0261(CNS)	CNS	ED, TRA, CIV	N	N	N	N	Y, approves
04.05.1999	1997/2301(INI)	INI	TRA, ED, CIV, SUS, NGO, TECH	Y, ILO, UNEP, UNDP, WHO, UNIFEM, WTO	N	N	N	Y, stresses, calls
01.03.2001	2001/2018(INI)	INI	TRA, HR, WR, CR, SOC, MIP, SUS, ENVI, CLIM, FODE, CIV	Y, IRELA	N	Y, declaration annexed to the parallel meeting of representatives of civil society organised by the Economic and Social Committee and the Mercosur Economic and Social Consultative Forum (FCES)	Y, declaration of the first summit of heads of state of Latin America, the Caribbean and the European Union	Y, mandate
15.05.2002	2002/2549(RSP)	RSP	TRA	N	Y, resolution of 15 November 2001 on a Global Partnership and a Common Strategy for Relations between the European Union and Latin America	Y, Rio de Janeiro Declaration adopted at the First Summit of Heads of State and Government of Latin America	N	Y, welcomes, calls, stresses, insists
30.05.2002	2002/2556(RSP)	RSP	TRA	N	Y, resolutions on Latin America and, in particular, its resolutions of 15 November 2001 on a global partnership and a common strategy for relations between the European Union and Latin America and 15 May 2002 on the Second European, Latin American and Caribbean Summit	N	N	Y, welcomes, endorses, calls

26.09.2002	2002/2586(RSP)	RSP	ED, TRA	N	Y, previous resolutions on the situation in Latin America	N	N	Y, calls, urges
24.10.2002	2002/2592(RSP)	RSP	ORC, MIL	N	Y, resolutions on the International Criminal Court, in particular those of 19 November 1998, 18 January 2001, 28 February 2002, its resolution of 4 July 2002 on the draft American Service Members' Protection Act (ASPA)	N	N	Y, insists, expects, calls
06.06.2005	2004/0216(CNS)	COS	TRA, ED, TECH	N	N	N	N	N
12.10.2006	2006/2035(INI)	INI	TRA, ED, AGR, INMA, WR, SOC, ENVI, CLIM, NGO, CIV, HR	Y, ETUC	Y, resolutions on a stronger partnership between the European Union and Latin America	Y, declarations of the four Summits of Heads of State and Government, Luxembourg Declaration, adopted at the 12th Ministerial Meeting of the Rio Group and the European Union, Vienna Declaration adopted at the 4th EU-LAC Summit, Final Act of the 17th European Union-Latin America Interparliamentary Conference,	Y, EU-Mercosur Labour Forum	Y, believes, stresses, considers, insists, draws attention, recommends
23.05.2007	2006/2240(INI)	INI	TRA, ED, WR, GI, SOC, ILO	Y, ILO	N	N	N	Y, proposes
07.06.2007	2007/2578(RSP)	RSP	CIV	N	N	Y, DCI management committee, OECD	N	Y, calls, withdraw
25.09.2007	2007/2625(RSP)	None	ED, TRA	N	N	N	N	N
24.04.2008	2008/2536(RSP)	RSP	TRA, ED	N	Y	N	Mercosur parliament	Y, considers, proposes
18.12.2008	2008/2133(INI)	INI	TRA, INMA, TECH	N	Y, resolution of 12 October 2006 on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement	N	N	Y, stresses, believes
12.03.2009	2008/2288(INI)	INI	TRA, ED	N	Y	Y	Mercosur parliament	Y, calls, stresses, reaffirms, recommends
06.05.2009	2009/2592(RSO)	RSO		N	N	N	N	N
10.03.2010	2009/2057(INI)	INI	TRA	N	Y	N	N	Y, considers
05.05.2010	2009/2213(INI)	INI	TRA	Y, ILO	Y	Y, resolutions of the Euro-Latin American	Mercosur parliament	Y, calls, stresses, reaffirms, recommends

						Parliamentary Assembly of 20 December 2007 with special reference to democratic governance, of 8 April 2009 on the Euro-Latin American Charter for Peace and Security and the motion for a resolution of 15 October 2009 on the European Union–Latin America Partnership with a view to the Sixth Summit in Madrid in May 2010		
08.07.2010	2010/2732(RSP)	RSP	TRA, AGRI	N	N	N	N	N
21.10.2010	2010/2026(INI)	INI	TRA, AGR, HR, WR, CR, SOC, SUS, ENVI, CLIM, FODE, CIV, NGO, ILO, ED, MED, ENE	Y, WTO, ILO,	Y, resolutions of 1 December 2005 on preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong(1), of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong(2), of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief(3), of 27 April 2006 on a stronger partnership between the European Union and Latin America(4), of 12 October 2006 on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement(5), of 23 May 2007 on the EU's Aid for Trade(6), of 12 July 2007 on the TRIPS Agreement and access to medicines(7), of 29 November 2007 on trade	Y, resolutions of the Euro-Latin American Parliamentary Assembly, final declarations of the sessions of the Parliamentary Conference on the WTO, declarations of the six Summits of Heads of State and Government of the European Union and Latin America, Joint Statements of the Fourth EU-Mercosur Summit, report of January 2005 of the Advisory Board chaired by Peter Sutherland on the future of the WTO, United Nations Framework Convention on Climate Change (UNFCCC), ILO Decent Work Agenda and to the ILO Global Jobs Pact, Convention on the Elimination of all forms of Discrimination Against Women (CEDAW),	N	Y, urges, calls, stresses, reaffirms, considers

					and climate change(8), of 24 April 2008 on the Fifth Latin America and Caribbean-European Union Summit in Lima(9), of 24 April 2008 on 'Towards a reform of the World Trade Organisation(10), of 20 May 2008 on trade in raw materials and commodities(11), of 25 March 2010 on the effects of the global financial and economic crisis on developing countries and on development cooperation(12) and of 5 May 2010 on the EU strategy for relations with Latin America			
11.11.2010	2010/2916(RSP)	RSP	AGRI	N	N	N	N	Y, calls
27.09.2011	2010/2152(INI)	INI	TRA, AGR, HR, WR, CR, SOC, SUS, ENVI, CLIM, FODE, CIV, NGO, ILO, ED, MED, ENE	Y, ILO, WTO	Y	Y	N	Y, urges, reaffirms, stresses
02.02.2012	2011/2111(INI)	INI	MIG, MIL, ORC	N	Y, resolution of 7 July 2011 on EU external policies in favour of democratisation	N	N	Y, underscores
20.04.2012	2012/2619(RSP)	RSP	TRA, ED, FRCO,, INMA	Y, WTO	Y, resolution of 21 October 2010 on the European Union's trade relations with Latin America, Eurolat resolution of 19 May 2011 on the prospects for trade relations between the European Union and Latin America	Y, Agreements on the Reciprocal Promotion and Protection of Investments signed between Argentina and Spain and a number of other EU Member States	N	Y, calls, urges
12.06.2012	2011/2286(INI)	INI	SOC, SUS, ENVI, CLIM, ORC, EBU, ED, MED	N	Y, Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation, resolutions of 15	Y, declarations of the six Summits of Heads of State and Government of Latin America and the Caribbean and the EU, declaration adopted at the 21st Ibero-American Summit, United Nations Framework Convention on	N	Y, calls, stresses, asks, considers

					November 2001 on a global partnership, resolutions of 5 May 2010 on the EU strategy for relations with Latin America, on EU-Latin America trade relations of 21 October 2010	Climate Change (UNFCCC), Millennium Declaration of the United Nations of 8 September 2000, Declaration and Action Plan adopted at the Busan High-Level Forum on Aid Effectiveness in December 2011, preparatory process for the United Nations Conference on Sustainable Development, 14th ministerial meeting of the Rio Group and the EU, Madrid Action Plan approved at the EU-LAC Summit of May 2010, resolutions of the Euro-Latin American Parliamentary Assembly,		
17.01.2013	2012/2924(RSP)	RSP	HR, WR, CR, SOC, MIP, SUS, ENVI, CLIM, FODE, CIV	N	Y, resolutions on the EU strategy for relations with Latin America	N	Y, EU-Mercosur Summit, EU-Latin America and Caribbean Summit, EuroLat resolution of 19 May 2011	Y, calls, urges
13.03.2013	2010/0256(COD)	COD		N	N	N	N	N
17.12.2013	2011/0269(COD)	COD	SOC, ED	N	N	N	N	N
16.07.2014	2014/2704(RSO)	RSO		N	N	N	N	N
13.09.2017	2017/2027(INI)	INI	TRA, HR, ILO, WR, GI, MIP, SUS, ENVI, CLIM, CIV, NGO, MIL, MIG, TECH	Y, ILO Convention 169 on Indigenous and Tribal Peoples	Y, resolutions of the Euro-Latin American Parliamentary Assembly (EuroLat), in particular those of 22 September 2016, EuroLat recommendation of 22 September 2016 on migration, development and the economic crisis,	Y, WTO	Y, EU-CELAC Civil Society Forum Declaration of 11 May 2015, EU-CELAC Ministerial Inter-Summit Meeting, 25th Ibero-American Summit of Heads of State and Government, 1994 Inter-American Convention on the Prevention, Punishment and Eradication of Violence Against Women	Y, supports, calls, underlines, stresses, encourages, urges, reiterates
17.07.2019	2019/2719(RSO)	RSO		N	N	N	N	N

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