

Resolution on the legal security of European investments outside the European Union

2012/2619(RSP) - 20/04/2012 - Text adopted by Parliament, single reading

The European Parliament adopted by 458 votes to 71 against with 16 abstentions a resolution on the legal security of European investments outside the European Union.

The resolution was tabled by the ALDE, ECR, EPP, EFD and S&D groups.

It notes that 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, and the majority of whose shares are specifically the object of the proposed expropriation. Parliament **deplores the decision taken by the Argentine Government, disregarding a negotiated solution**, and maintains that this represents a unilateral and arbitrary decision which entails an attack on the exercise of free enterprise and the principle of legal certainty, thus causing the investment environment for EU businesses in Argentina to deteriorate.

Argentina's announcement was accompanied by the immediate takeover of the company's main offices by the Argentine federal government authorities. Parliament expresses its deep concerns regarding the situation as it represents the non-fulfilment of obligations under international agreements. It warns about the **negative effects that such** measures might have, such as international disinvestment and adverse consequences for Argentina in the international community. Members recall that EU investments in Argentina are protected by Member State bilateral investment agreements, where they exist, and that 18 Member States currently have agreements in force with Argentina. They also note that that this decision affects only one company in the sector and only part of its shares, which could be considered discriminatory.

Parliament 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. It points out that decisions such as that taken by the Argentine authorities can put a strain on the climate of understanding and friendship needed to reach such an agreement. Members regret that **Argentina has introduced several restrictive trade and investment measures, such as non-tariff barriers**, which have hampered EU businesses and global trade with Argentina. It calls on the Commission to respond to these restrictions using **all the appropriate dispute settlement tools available at the World Trade Organisation and the G20** to cooperate with other countries facing similar discriminatory barriers to trade and investment.

Members call on the President of the European Council, the President of the European Commission and the High Representative for CFSP to **make every effort with the Argentine authorities to defend the Community interest and to safeguard the principle of legal certainty** which guarantees Europe's presence and investment in this South American country, by returning to the path of dialogue. They urge the Commission and the Council to **explore and adopt any measures required to safeguard European interests** in order to avoid such situations arising again, **including the possible partial suspension of the unilateral tariff preferences under the GSP scheme**.

Parliament welcomes the statement by High Representative Ashton condemning the action of the Argentine Government and the cancellation of the meeting of the EU-Argentina Joint Cooperation Committee. It urges Commissioner De Gucht and High Representative Ashton to **use all diplomatic avenues available** to solve this situation with their Argentine counterparts, and calls on the Commission

and the Member States to work closely with their colleagues in international fora such as the G20 and the WTO to achieve a consensus opposing the actions of the Argentine Government.

Lastly, Parliament recalls the deep friendship between the EU and Argentina, with which the EU shares common values and principles, and urges the Argentine authorities to **return to the path of dialogue and negotiation** as the most appropriate means of resolving possible differences between trading partners and countries that are traditionally friends.