European Union economic and trade relations with Mercosur with a view to negotiation of an interregional association agreement

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The committee adopted the own-initiative report by Daniel VARELA SUANZES-CARPEGNA (EPP-DE, ES) on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement. The report pointed out that an EU-Mercosur free-trade area would be the world's biggest interregional free-trade area and would boost the international competitiveness of both markets. The conclusion of an Interregional Association Agreement with Mercosur was therefore "a priority strategic objective" for the EU's external relations. MEPs added that both continents had an interest in seeing Mercosur open up to Asia, South Africa and the countries of the Gulf Cooperation Council.

The committee said that the IAA should be based on 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 including, as well as reciprocal liberalisation of trade in goods and services, investment, public procurement, the protection of intellectual property rights, cooperation regarding competition and trade protection instruments, trade facilitation, and a binding dispute settlement mechanism.

As to the Doha round, the committee regretted the fact that, despite Parliament's recommendations that negotiation of the agreement with Member States should be decoupled from the WTO's Doha Round, the delays in the negotiations with Mercosur have led to their temporary de facto subordination to the development and finalisation of the Doha Round. The committee believed that the two processes, rather than being mutually exclusive, are complementary.

The report stressed the importance of core labour standards and decent jobs for the development of Mercosur, and therefore said that the agreement must include a specific agenda on decent work tailor-made for Mercosur Member States and a commitment by the EU to offer all necessary assistance in achieving that agenda. Finally, the committee said that, in addition to the repressive aspect concerning the fight against drugs, the agreement should insist on delivering aid to farmers to help them start new alternative production.