

Third meeting of the EU-Mercosur Biregional Negotiations Committee

7-10 November 2000, Brasilia - Brazil

Final Conclusions

Negotiators from the Mercosur and the European Union met for the third time in the context of the EU - Mercosur Biregional Negotiations Committee during 7-10 November 2000 in Brasilia. This meeting formed the third round of negotiations between the EU and Mercosur, aiming at the conclusion of an Interregional Association Agreement between the European Union and the Mercosur. The negotiators established the following set of conclusions.

1. GENERAL DISCUSSIONS

The Brazilian Minister of External Relations, Ambassador Luiz Felipe Lampreia, on behalf of the Pro-Tempore Presidency of Mercosur, and the Commissioner for External Relations of the European Commission, Christopher Patten, on behalf of the European Union, jointly opened the third meeting of the BNC with statements that strongly reflected both sides' commitment to the negotiating process and interest in making substantive progress in the discussions during the present phase of the negotiations.

Discussions took place on the preamble, the legal framework of the future political dialogue and the institutional structure of the future Association Agreement, based on draft text proposals presented by both sides, as agreed during the second meeting of the Birregional Negotiations Committee. These text proposals may be used in the future as reference documents. Intensive discussions and the strong input given by Parties lead to a draft joint text on the above-mentioned topics, which may constitute a substantive element of the future Agreement. The Parties noted that certain sections of this draft joint text will be subject to further discussions and agreed to continue discussions in the next negotiating rounds.

The discussions of the three Technical Groups dealing with trade matters reached substantial progress, thus allowing for the exchange of working documents or negotiating texts for an important number of issues in the following round.

The Subgroup on Economic Co-operation also met during the third meeting of the BNC in Brasilia and reached a set of conclusions on specific sectors within the field of Economic Co-operation that are described hereafter.

The European Union and Mercosur decided to hold a fourth round of negotiations within the framework of the BNC during March 2001 in Brussels. The exact dates of the meeting and other arrangements will be agreed on through the regular diplomatic channels.

2. NEGOTIATIONS ON THE FUTURE POLITICAL DIALOGUE

During this session of the BNC, the Parties exchanged draft negotiating texts, which may be used as reference documents in the future (DOC/Mercosul/w/rev.03 and DOC/Uniao Europeia). Due to the convergence emerging from the examination of the two proposals, negotiators were able to prepare a draft joint text. Consensus was found in the political paragraphs of the preamble, the legal framework of the political dialogue and in various

paragraphs of the institutional structure of the future Interregional Association Agreement. The Parties noted that certain sections of this draft joint text continue to be subject to further discussions.

Some paragraphs of the Mercosur proposal were not discussed, either because they do not fall within the timeframe foreseen in the present negotiating mandate of the EU, or because their drafting was contingent upon the outcome of negotiations that are taking place in other areas of the on-going negotiating process. Mercosur considers that its proposal, as tabled, provides an indication of the direction and scope of the future Association Agreement. The Parties agreed to continue discussions during the future negotiating rounds.

3. **NEGOTIATIONS ON CO-OPERATION**

In the framework of that Sub-group and as agreed in second Meeting of the BNC, the Parties continued the exploratory talks on the implications for co-operation of the concept "Inter-Regional Association", which is the basis of the future agreement between MERCOSUR and the European Union. In this context, they agreed that the future agreement must allow for an increase in the level of priority given by both parties to inter-regional co-operation.

Therefore, the Parties decided that in the fourth round in Brussels, the Parties will have an exchange of opinions with a view to defining the concrete meaning of the concept of inter-regional association for the area of co-operation. At this occasion, the Parties will discuss presentations on certain European Community projects (Technological Innovation for SME's, Statistical Co-operation, Energy, Socrates, Erasmus, Youth II, Leonardo da Vinci, Media II, Culture 2000, Life, etc.), which are of potential interest to MERCOSUR.

As regards economic co-operation in particular, the Parties exchanged points of view on the general objectives to be aimed at, as well as the specific objectives and modalities of implementation of some of the sectors identified in the document of conclusions of the first meeting of the BNC. The remaining sectors of co-operation will be successively treated during the next meetings of Sub-group n.1.

4. **NEGOTIATIONS ON TRADE ISSUES**

The work of the three Technical Groups for trade centered on information exchange and discussions on specific objectives, on the basis of previously exchanged papers. On the overall, the discussion showed the determination of both sides to advance the work in all areas. In depth discussions allowed to clarify the respective positions and improve knowledge of the respective systems. A substantial amount of information has been exchanged between the Parties and a regular exchange of information on specific questions will continue as a part of the regular negotiating process. As a result a stage has been reached, which allows the Parties to enter progressively into an active phase of the negotiating process and to start exchanging negotiating texts or documents for a substantial number of issues prior to the next round.

With this in mind, both sides agreed to establish a mechanism of permanent contacts between the two trade teams with a view to intensifying the work on technical elements in between rounds.

The three technical groups worked in parallel sessions on the following subjects:

Technical Group 1: tariffs and trade statistics and non-tariff measures; industrial issues; agriculture and sanitary and phytosanitary measures; standards, technical regulations and conformity assessment procedures; customs procedures; rules of origin and trade defence instruments.

Technical Group 2: services, capital movement and investment, and intellectual property rights.

Technical Group 3: government procurement, competition and dispute settlement.

The agenda of the next round will include the continuation of the preparatory process for the negotiations, further clarifications of specific questions, as well as a first exchange of working documents or negotiating texts.

It was agreed that draft documents should be made available one month before the fourth round.