





Procedure file

Basic information		
INI - Own-initiative procedure	2006/2035(INI)	Procedure completed
European Union economic and trade relations with Mercosur with a view to negotiation of an interregional association agreement		
Subject 6.40.10 Relations with Latin America, Central America, Caribbean islands		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade		25/01/2006
		PPE-DE VARELA SUANZES-CARPEGNA Daniel	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Development		25/01/2006
		PPE-DE KACZMAREK Filip	
European Commission	Commission DG	Commissioner	
	Trade	MANDELSON Peter	

Key events			
16/02/2006	Committee referral announced in Parliament		
11/09/2006	Vote in committee		Summary
21/09/2006	Committee report tabled for plenary	A6-0302/2006	
11/10/2006	Debate in Parliament		
12/10/2006	Results of vote in Parliament		
12/10/2006	Decision by Parliament	T6-0419/2006	Summary
12/10/2006	End of procedure in Parliament		

Technical information	
Procedure reference	2006/2035(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	INTA/6/33920

Documentation gateway

Committee opinion	DEVE	PE371.904	31/05/2006	EP	
Committee draft report		PE376.310	22/06/2006	EP	
Amendments tabled in committee		PE376.568	14/07/2006	EP	
Committee report tabled for plenary, single reading		A6-0302/2006	21/09/2006	EP	
Text adopted by Parliament, single reading		T6-0419/2006	12/10/2006	EP	Summary
Commission response to text adopted in plenary		SP(2006)5316-2	23/11/2006	EC	
Commission response to text adopted in plenary		SP(2006)5318	14/12/2006	EC	

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

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.

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

The European Parliament adopted a resolution based on 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. (Please see the summary of 11/09/2006.) Parliament also stressed that, according to studies, the costs of not reaching an agreement are estimated to be at least EUR 3,700 million per annum in trade in goods, rising to over EUR 5,000 million if investment and services are included.

On the negotiation of the FTA, Parliament added that, as well as being decoupled from the Doha round, the FTA, like the conclusion of the Doha Round, must not be subordinated exclusively to concluding negotiations on agricultural issues. Negotiations are needed in every field including trade in goods and services, investment, public procurement and other trade barriers.

Parliament went on to make specific observations on each sector of the proposed FTA, including agriculture, non-market agricultural access, services, investment, and intellectual property.