



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR TRADE

Directorate D - The Americas, Agriculture and Food Safety
Latin America

Brussels,
TRADE.D/RS/bb (2020) 8253072

Dear Mr Beyrer,

I would like to thank you for your mail dated 26 November 2020, addressed to European Commission President Ursula von der Leyen and transmitting a Declaration from Business Confederations of Mercosur and Europe, in support of the EU-Mercosur Agreement. I have been asked to reply on behalf of the President.

I am pleased to inform you that we fully share the views contained in the Declaration. Indeed, this Agreement is extremely important from a strategic, economic and sustainable development point of view. This is a ground-breaking and historical agreement which builds on 20 years of negotiations and which will consolidate a strategic political and economic partnership between the two blocs. Like you, I hope that the conditions to ratify and implement the agreement will be in place as soon as possible; this would allow to tap the benefits of the biggest agreement ever concluded by the EU or Mercosur. The agreement will cover a population of 710 million and cement the close political and economic relations between the two blocs. Moreover, it represents a clear commitment from both regions to rule-based international trade and will provide a framework for relations for many years to come.

There is no doubt that, as clearly outlined in the Declaration, the agreement will also be a valuable tool for intensifying our trade and contributing to the economic recovery from the on-going COVID-19 pandemic. I am fully convinced that it will provide both parties with an excellent basis for expanding our already very good relations, as well as intensifying our value-based agenda.

You will certainly be familiar with the position European Commission Executive Vice-President Dombrovskis expressed at the recent hearing organised by the European Parliament on the need to obtain meaningful engagement from Mercosur to address the concerns about the Amazon region before we can proceed with ratification. The Executive Vice-President pointed out that this will be a critical element on the path towards the ratification of the agreement. Work is on-going to engage with Mercosur countries, especially Brazil, to identify ways to address these concerns.

In this context, business has an important role to play. I would therefore like to invite Business Europe and the business organizations of Mercosur and their members to

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remain engaged and mobilised on the sustainability agenda and to redouble efforts to make sure that Brazil takes concrete steps forward to fight deforestation and comply with its Paris Agreement pledges. I remain convinced that the private sector could help to ensure greener and more sustainable investments in business deals that take into account the social and environmental impact in addition to financial profitability. The sector could equally influence public policies and choices towards more sustainable patterns and standards.

Finally, we expect that once the on-going legal revision and technical work is completed and the existing concerns on deforestation are addressed in a satisfactory way, this agreement can be ratified by the EU and Mercosur and enter into force to the benefit of both parties' companies, citizens and the civil society.

Yours sincerely,

Rupert SCHLEGELMILCH