

Brazil: Mercosur and EU Ready to Make Concessions

Contributed by Alexandre Rocha
Tuesday, 26 October 2004

So as to close a free trade agreement, the Mercosur may expand its offers in the service sector and the European Union may improve its proposal in the livestock sector.

"Both sides show disposition and each one has something to offer," said counsellor Ronaldo Costa from the European Union and extra-regional negotiations division of the Itamaraty, the Brazilian Foreign Office, referring to the meeting between representatives from both blocks that took place October 20 in Lisbon.

Both parties did not manage to agree on the final details so as to close the agreement by October 31, the span that had originally been stipulated.

October 31 also coincides with the end of the mandate of the European Commission and, with that of Trade commissioner Pascal Lamy, who will be replaced by British representative Peter Mandelson.

According to Costa, it is not yet clearly known at what level negotiations will return, whether if based on the offers exchanged by both blocs in May, or based on those sent last month.

He stated, however, that "the tendency" is for talks to begin again based on the May offers, as those made in September were considered "non-satisfactory" by the negotiators.

In the last proposal sent by the Europeans, for example, export of agricultural products from the Mercosur, would be subject to a system of quotas which would rise after 10 years and would be managed by the importers themselves.

The South-American negotiators considered this proposal a step backwards with regard to the May offer.

Up to the end of the year, probably the beginning of December, a meeting between technicians of both blocs will take place so as to discuss a new schedule for negotiations, to be submitted to the foreign ministers involved who, in turn, will meet again in the first quarter of 2005.

According to Costa, a new schedule for the negotiations has not been defined, and should be negotiated with the new European Trade Commissioner.

"But both blocs' policies regarding interest in negotiations have not changed. Both have recognized the strategic value of the agreement," stated the diplomat.

Not a Failure

"The schedules are only indicative targets," stated the Brazilian Minister of Foreign Relations, Celso Amorim, last week. "I am still very optimistic, and I also believe that it is more than optimism," he added.

To the Brazilian Foreign Relations Minister, the meeting last week cannot be considered a failure, as the possibility of closing of an agreement at the meeting was not a "realistic expectation."

"We had important clarification with regard to areas in which it will probably be very hard to obtain anything and with regard to areas where advances are possible. This generated the certainty that there will still be progress," he said.

"We have identified sufficient convergences to show that it is worth it to continue trying and that we will reach a good conclusion," he stated.

ANBA – Brazil-Arab News Agency