Mr Valdis Dombrovskis Executive Vice-President European Commission Rue de la Loi/Wetstraat 200 B-1049 Brussels BELGIUM

11th November 2020

Dear Executive Vice-President and Trade Commissioner Dombrovskis,

We wish to express our support for the signature and ratification of the EU-Mercosur Agreement, and convey our gratitude for the efforts devoted by you and your team so far. We hope we will soon be able to finish successfully a process that started more than 20 years ago.

Politically, the EU and Mercosur share values and are important allies in WTO in a period of increased challenges. The Agreement will foster political and economic cooperation between the EU and Mercosur acting as a platform to share our views and concerns on the global issues, such as the WTO reform or sustainability, and work together to address them.

From an economic standpoint, the EU will benefit from a substantial first-mover advantage, as it will become the first global partner to sign a free trade agreement with Mercosur. This will allow our companies privileged access to a bloc/region whose members together constitute the sixth largest economy in the world, with more than 260 million consumers. Moreover, the agreement is a strategic choice by our partners of Mercosur to open up their markets to the global economy, leaving behind inward-looking approaches.

The first wave of COVID-19 exposed our vulnerabilities with regard to the EU external supply of goods and services. In this respect, the EU-Mercosur Agreement, when ratified, will significantly contribute to trade diversification and, as a result, to foster EU supply chains' resilience.

The EU-Mercosur Agreement features a modern, progressive trade and sustainable development chapter; making the accord the most ambitious the EU has ever negotiated in this field. Explicit commitments in a number of areas, including the implementation of the Paris Agreement, as well as deforestation, are determined and stringent. Furthermore, National Advisory Groups will be given wider powers to participate in the implementation of the Agreement.

We believe the Agreement is also a unique chance to produce a long-term, positive impact within the South American Region in terms of central policies such as sustainable development, climate change and the global economic governance. We are therefore certainly prepared to consider any instrument that could contribute - consistently with our strategy on the new generation of EU free trade agreements - to foster sustainable development, a positive social impact and the protection of the environment, in line with the 17 Sustainable Development Goals agreed at the UN level in 2015.

To sum up, the strategic importance of the Agreement, both politically and economically requires keeping the momentum and a timely completion of this process.

Not signing and ratifying the EU-Mercosur Agreement will not only affect the EU's credibility as a negotiating and geopolitical partner, but will also strengthen other competitors' position in the region, posing a greater risk to environmental protection, while further weakening the EU's geostrategic weight and economic opportunities in times of a much-needed recovery.

Yours sincerely,

Mr Karel HAVLÍČEK Minister for Industry and Trade

Mr Raul SJEM Minister of Foreign Trade and Information Technology

Mr Ville SKINNARI
Minister for Development Cooperation and Foreign Trade

Mr Ivan Scalfarotto

Under-Secretary of State for Foreign

Mr Jeppe KOFOD

Minister for Foreign Affairs

Ms Ma Reyes MAROTO ILLERA

Minister for Industry, Trade and Tourism of the

Kingdom of Spain

Affairs and International Cooperation

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Mr Edgars RINKĒVIČS Minister of Foreign Affairs

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Mr Augusto SANTOS SILVA Minister of State and Foreign Affairs

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Ms Anna HALLBERG
Minister for Foreign Trade and Nordic Affairs