

Brussels, 4th July 2023

Ms Ursula Von der Leyen

President of the European Commission

Mr Charles Michel

President of the European Council

Ms Roberta Metsola

President of the European Parliament

Your excellency President Metsola,

Your excellency President Michel,

Your excellency President von der Leyen,

We are writing you on behalf of 23 European business associations, representing different European industrial sectors that create millions of jobs in Europe and provide an essential contribution to the wellbeing of the Europeans citizens. United, we are calling on the European Union to take all the necessary initiatives to ensure the swift ratification of the EU-Mercosur agreement.

For all our sectors, the EU-Mercosur association agreement is key to preserving our competitiveness. It would offer us an opportunity to diversify our export markets and the portfolio of suppliers of critical industrial inputs.

The war in Ukraine and its subsequent strain on our supply chains has demonstrated the importance of diversifying our portfolio of export markets and of suppliers of critical industrial inputs. The EU-Mercosur trade agreement will help ensure that our supply chains remain operational in an increasingly volatile and ambiguous world marked by several crises, which span from strategic dependencies on the supply of critical raw materials, to concerns for feedstock, as well as to demographic challenges. In this context, finalising the adoption of the EU-Mercosur agreement is absolutely vital.

The multiple crises that Europe is facing since 2020 demonstrate that strong and diversified trade relations are key to secure the availability of essential goods and industrial inputs on the EU market as well as the prosperity of our production through diversified markets. The competitiveness of our industries goes hand in hand with the reliability of our supply chains and, ultimately, it is key to safeguarding the European way of life. Free Trade Agreements (FTA) play a vital role in mitigating the impact of the Russian aggression of Ukraine and balancing geopolitical tensions and uncertainties. In our view, it's essential for Europe to seize the economic and geopolitical benefits of FTAs.

In particular, the EU-Mercosur FTA offers Europe a unique and timely opportunity to seize a first mover advantage into the wider Latin America market. The European Union must grasp the momentum and finalise the deal with Mercosur countries.

As significant barriers to trade with the Latin America region are still in place, the ratification of the EU-Mercosur deal would help Europe remain a key player and open up trade opportunities with both the Mercosur countries and with Latin America at large.

We are glad to see that the importance of this topic has been recognised in the trade pillar of the Green Deal Industrial plan and the recent EU-Latin America Strategy. We also welcome that discussions are held at the highest political level, which focus on the EU through its trade policy can foster sustainable development while creating opportunities for closer trade and investment relations between the EU and Latin America. While we understand the legitimate concerns on environmental

aspects, the EU-Mercosur agreement offers a very strong incentive to maintain the region's sustainable development pledges, including the halt of illegal deforestation.

The ratification of the agreement would provide concrete tools to engage with Mercosur countries on global challenges, such as climate change, forests preservation, and labour rights. It will also enhance regulatory dialogue on specific topics such as animal welfare and traceability, antimicrobial resistance, and products standards where stronger cooperation is needed.

It offers the EU a unique platform to raise environmental and social standards and foster tangible improvements in the Mercosur region.

The EU-Mercosur agreement is also a key building block in the EU's broader strategy with Latin America and the Caribbean, as presented in the European Commission's Communication published on 7 June 2023. The EU is already the largest investor in the region and bilateral trade has increased by 40% since 2018 thanks to Free Trade Agreements already in force in the area. Ratifying the EU-Mercosur agreement would further boost these relations.

Taking all these elements into account, we would like to call on the European Union and its Institutions to take all the necessary initiatives to ensure the swift ratification of the EU-Mercosur agreement.

We thank you in advance for your consideration to our letter and we remain at your disposal for any further cooperation and questions.

Yours sincerely,





CC: EVP Dombrovskis, Commissioner Breton, Mr Bernd Lange MEP, Mr Jordi CANAS MEP, Permanent Representations of the Member States to the EU