

28 May 1999

**UNICE statement for the 1st EU-Latin America/
Caribbean Summit
(Rio de Janeiro, 28/29 June 1999)**

UNICE warmly welcomes the holding of the 1st EU-Latin America/Caribbean Summit. It expects that this high-level meeting will lay the foundations for further steps towards strengthening relations between these regions. Interregional dialogue and co-operation are particularly instrumental in supporting political and economic development of the two regions and strengthening co-operation between the respective business communities.

Regarding Latin America, linked to Europe through strong cultural and political roots and close trade and economic partnership, UNICE calls on the participants in EU-Latin America/Caribbean Summit to work together to deepen ties between the two regions. A general objective for deeper economic cooperation between Europe and Latin America should be to ensure mutual market access on terms which are as beneficial as those enjoyed by other major countries or regions of the world. In this context, UNICE in particular encourages EU institutions to make a co-ordinated effort to accelerate finalisation of Association Agreements with Mercosur, Chile and Mexico, and to maintain ongoing dialogue and co-operation with the other regional groupings.

UNICE also welcomes and broadly shares the European Commission's new approach to EU-Latin America relations, reflected in its recent Communication on UE-Latin America partnership for the 21st century. UNICE agrees on the basic areas for action proposed by the European Commission for closer EU-Latin America co-operation: strategic alliance between the two regions to strengthen the partners' hand in negotiations at international level, adoption of a sustainable development model, and opening-up of political dialogue to civil society. UNICE would like to contribute to the development of specific proposals for the implementation of this new partnership.

UNICE believes that economic integration between Latin American countries is essential for fostering sustainable economic development in this region. For that reason, UNICE strongly supports the different initiatives under way aiming at regional integration, in conformity with WTO rules; such sub-regional agreements would contribute actively to the liberalisation of trade and investment at international level.

In this context, UNICE participated in the first Mercosur-European Union Business Forum (MEBF), held in Rio de Janeiro on 21/23 February 1999, which brought together high-level business and government representatives from Mercosur and the EU. This forum has the objective of reinforcing relations between Mercosur and the EU through the progressive elimination of barriers to trade and investment, and strengthening of economic co-operation between the two regions. EU and Mercosur business circles have demonstrated that they can be active and valuable partners in this process and look to the respective administrations to implement MEBF recommendations.

UNICE encourages Latin American governments to continue their efforts towards adoption of strict macroeconomic policies to control inflation and to reduce public deficits, with the ultimate aim of continuing the process of restoring confidence in Latin American economies and encouraging foreign direct investment and private initiative in the region. UNICE calls on the European Commission and Member States to co-ordinate their actions in order to provide Latin American countries with the necessary technical assistance to establish and implement the stable and reliable legal and administrative framework needed to facilitate economic development and industrial co-operation. UNICE is aware of the importance of EU financial support to Latin American countries in the process of their economic stabilisation, democratic consolidation and development of their social institutions. It encourages the EU to pursue its action in that direction with due consideration of the specific needs of each country.

With a view to the WTO Ministerial Conference to take place in Seattle at the end of November, UNICE calls on the participants in the EU-Latin America/Caribbean Summit to increase their co-operation on WTO issues in order to build the necessary consensus for launch of a comprehensive forward-looking round of negotiations, to be concluded by a single undertaking, at this conference.

Regarding the essential role of dialogue with civil society, UNICE calls on the participants in the Summit to take measures to strengthen it and to recognise the particular role business organisations play in development of an environment conducive to trade and investment, sources of growth and employment. The increased involvement of Latin American business organisations in political, economic and social development of the region in recent years is having, and will continue to have, an effective impact on continuation of the reform and liberalisation process under way and regional integration. For this reason, UNICE supports stronger business involvement in the different political and economic dialogue bodies, at national and regional levels.

With a view to supporting the ongoing process of fostering relations with Latin America and Caribbean countries, UNICE also believes that the establishment of regular contacts between representative business organisations from the two regions will contribute to achievement of the political and economic objectives pursued by the EU and Latin America. This rapprochement of business organisations from the two regions will also facilitate mutual co-operation and transfer of know-how. To that end, UNICE intends to organise a Europe-Latin America Business Summit in the year 2000.