



Ms. Cecilia Malmström
Commissioner for Trade
European Commission
200, Rue de la Loi
BE — 1049 Brussels
Belgium

28 November 2017

Dear Commissioner,

BusinessEurope welcomes the European Commission's willingness to open up new markets faster by concluding ongoing trade negotiations and by ensuring that existing agreements are adjusted to today's trade and investment needs. The European business community fully supports this endeavour and stands ready to cooperate with you and your services to achieve it.

We are deeply concerned with protectionist trends on the rise and call for a trade agenda that puts a premium on enhancing the competitiveness of our companies by generating new trade and investment opportunities abroad while keeping the EU market open and stable. The EU has a strong role to play in creating a community of countries and regions that share a common vision and actively engage in free and fair trade. A dynamic EU trade policy based on the conclusion of comprehensive agreements may have the beneficial side-effect of encouraging other partners to embrace and follow this positive approach.

In this context a successful conclusion of an ambitious and comprehensive agreement between the EU and MERCOSUR represents a priority for BusinessEurope.

There is global competition for access to the MERCOSUR market, which until now has remained relatively closed. It is in the strategic interest of the EU to secure a pole position vis à vis other countries that have expressed an interest in opening trade negotiations with the South-American bloc or with individual countries within the bloc.

Beyond the broader considerations highlighted above, a trade agreement between the EU and MERCOSUR also makes sense from a strict economic point of view. With a combined population of over 260 million, the four countries together represent a larger market than any other single partner the EU is currently negotiating with.

While some European companies have already established a local presence, it is clear that a more favourable environment is created for business operations when a stable and predictable framework is set up. Obstacles in the form of export restrictions, lack of transparency in regulations, forced localisation and local content requirements, access to public procurement contracts, or non-recognition of professional qualifications can and



should be addressed in a consistent, effective and durable way by means of a comprehensive agreement.

We call for an ambitious and balanced deal that upholds high-level standards in all sectors and ensures to enterprises large or small access to much needed industrial raw materials. It is important that specific sector interests and sensitivities are fully considered. However, we would like to emphasise the need for increased market access by means of tariff cuts and workable rules of origin, further liberalisation of services sectors, opening of public procurement markets including at sub-federal level as well as for strong regulatory and competition disciplines, and protection of intellectual property rights.

We therefore call on the European Institutions to assess and cater for the overall EU economic benefit with consideration given to strategic interests and areas that will play a role in increasing the competitiveness of EU companies in the long-term, while taking into account the developments of the single market. This implies obtaining, in the next rounds of negotiations, serious and effective concessions from MERCOSUR.

A similar letter has also been sent to Commissioner for Agriculture Phil Hogan and Minister of Entrepreneurship and Information Technology of Estonia Urve Palo.

Yours sincerely,

Markus J. Beyrer