



# EFTA – MERCOSUR Free Trade Negotiations

*Argentina Expectations*

**FEBRUARY 2019**  
**Embassy of Argentina in Norway**



Decision 32/00 established that States Parties of MERCOSUR must jointly negotiate agreements of a commercial nature with third countries or groupings of countries. The competence to negotiate agreements is from the Common Market Council (CMC), which can delegate it to the Common Market Group (GMC).

The External Relationship Group (GRELEX) was created, as an auxiliary body of the GMC, by Decision CMC No. 22/11.

GRELEX is the competent body in economic-commercial negotiations with third countries or groups of countries.

Prior to starting negotiations with a new commercial partner, according to art 8, inc IV of the POP, it is considered necessary for the CMC issue a mandate for the GMC. Such a mandate has not been issued in all cases and the last negotiations have started without an express mandate from the CMC.



## Negotiations Ongoing

MERCOSUR - UE

MERCOSUR - EFTA

MERCOSUR - Canadá

ACE 6 ARGENTINA - México

MERCOSUR - Corea

MERCOSUR - Singapur



## Current Agreements

ACE 35 MERCOSUR-Chile

ACE 36 MERCOSUR-Bolivia

ACE 58 MERCOSUR- Per

ACE 62 MERCOSUR-Cuba

ACE 55 MERCOSUR-México

ACE 59 MERCOSUR-Colombia , Ecuador  
y Venezuela

MERCOSUR-Israel

MERCOSUR-SACU

MERCOSUR-Egipto



# EFTA-MERCOSUR FTA



## BACKGROUND

- Both MERCOSUR and EFTA have an intense agenda of international trade negotiations, aiming at opening their markets to global value chains and fight against protectionist tendencies in the world.
- In that context, a trade agreement will foster the economic flows between these blocks, currently far below their potential.
- The Exploratory Dialogue between the Parties led to the joint document "Overview of a possible MERCOSUR-EFTA Free Trade Agreement" (October 2016), which sets the guidelines for the negotiations.
- In February 2017, chiefs negotiators signed the document "Framework for Negotiations between the MERCOSUR member states and EFTA states", defining the spokespersons and the structure of the negotiations and the future agreement.



# EFTA-MERCOSUR FTA



## Rounds of Negotiations

- The First (Buenos Aires, June 2017) and Second (Geneva, September 2017) Rounds of Negotiations paved the way for the exchange of “whishing list” (lists of mutual requirements regarding trade in agricultural goods), first step towards the presentation of offers.
- Immediately after the Third Round (Buenos Aires, April 2018) a joint delegation of Parliament members from the four EFTA States visited the four countries of MERCOSUR, where they were received by their Parliament colleagues, to obtain first-hand information about the negotiations.
- During the Fourth Round (Geneva, July 2018) the first exchange of offers was fulfilled. Such offers were thoroughly reviewed during the Fifth Round (Buenos Aires, October 2018), and the Parties agreed on a second exchange of improved offers on trade in goods and public procurement, which took place before the Sixth Round (Geneva, November 2018).
- The Seventh Round is finishing today (15<sup>th</sup> February) in Buenos Aires.



# EFTA-MERCOSUR FTA



## Structure of Negotiations

1. Ten working groups at the technical level: Market Access in Goods, Rules of Origin, Technical Barriers to Trade, Sanitary and Phytosanitary Measures, Government Procurement, Services, Investments, Legal and Horizontal Aspects & Dispute Settlement, Trade Defense, Intellectual Property Rights. Competence Policy, Trade Facilitation, Trade and Sustainable Development have already concluded their technical discussions.
2. Rotating venues: Buenos Aires (capital of Argentina, coordinator of this negotiation for MERCOSUR) and Geneva (headquarters of the EFTA Secretariat).
3. Each group agrees which goals should be accomplished in the intersessional period, before the following round, so as to reduce differences and build consensus on the different topics. This working framework has fostered a really fast pace of negotiations.



# EFTA-MERCOSUR FTA



## ARGENTINA EXPECTATIONS

1. To conclude in the short term a FTA with a high level of ambition and a wide scope of disciplines.
2. To strike a positive balance between the exporting interests of both Parties, with no sectorial exclusions, although taking into account mutual sensitivities,
3. MERCOSUR is making a huge effort to open its 200-million-people market to EFTA exporters.
4. For the Agreement to be attractive for MERCOSUR parliaments and economic agents, similar effective access need to be granted to our products, focusing in agricultural goods, our main exports to the world.
5. MERCOSUR understands and respects Norwegian agricultural sensitivities within the FTA negotiations with EFTA. Considering that Norway is one of the greatest food importers in the world, Argentina believes there is plenty of room for market opening without posing a threat to local production. Current status of concessions is far away from being a risk to agricultural producers in the Kingdom of Norway.
6. Argentina is convinced that a mutually beneficial partnership can be expanded between EFTA and MERCOSUR through the FTA, providing both Parties are satisfied with the final result.





# EFTA-MERCOSUR FTA

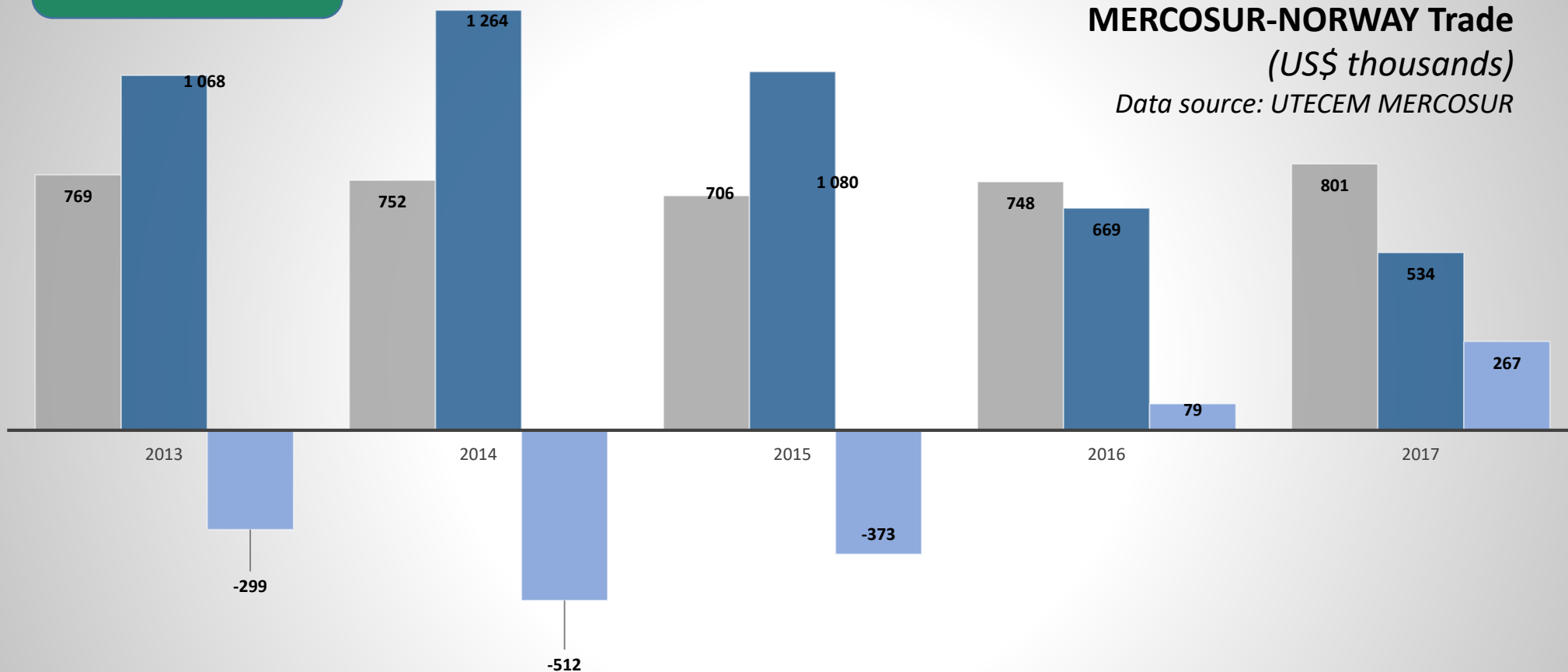


## Foreign Trade

### MERCOSUR-NORWAY Trade

(US\$ thousands)

Data source: UTECEM MERCOSUR



GREY: MERCOSUR EXPORTS

BLUE: MERCOSUR IMPORTS

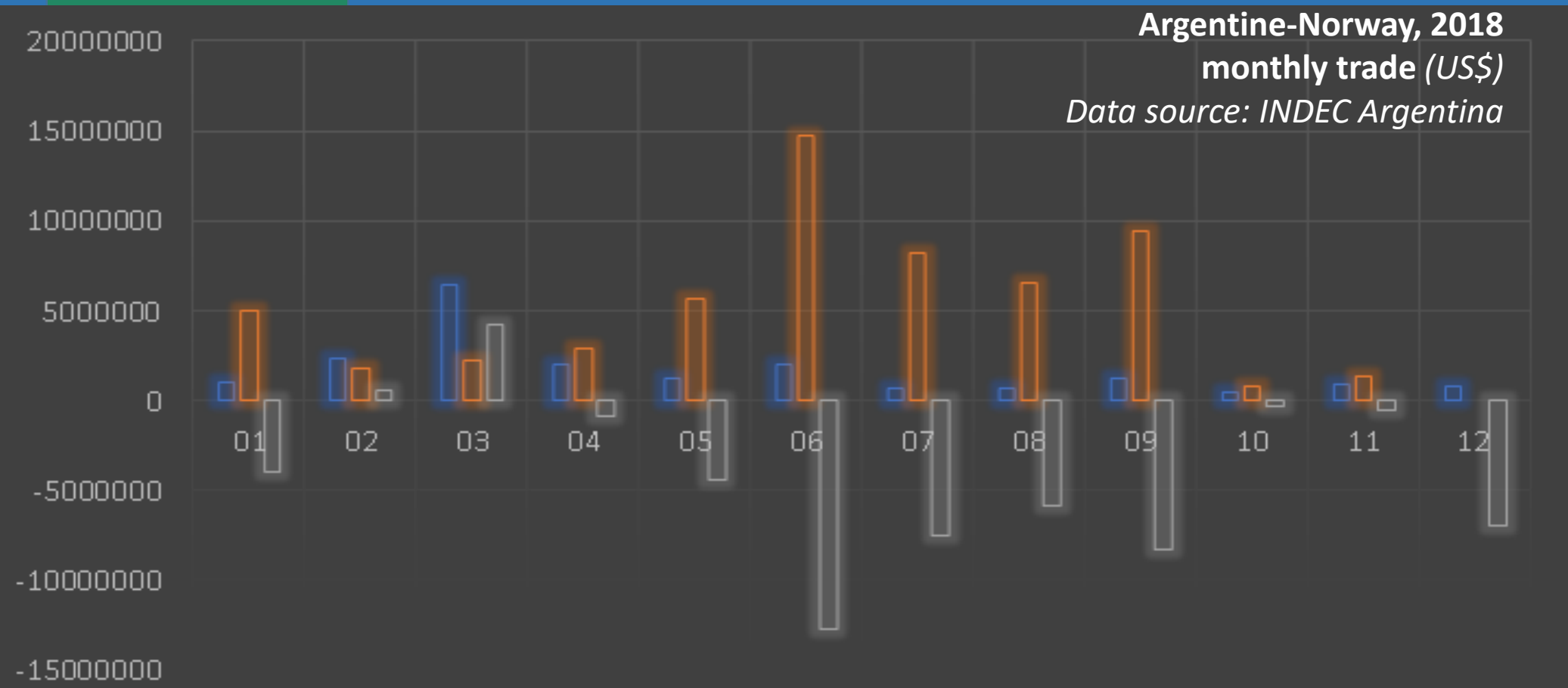
LIGHT BLUE: TRADE RESULT



# EFTA-MERCOSUR FTA



## Foreign Trade



**BLUE: ARGENTINA EXPORTS**

**ORANGE: ARGENTINA IMPORTS**

**GREY: BILATERAL TRADE RESULT**



**EMBASSY OF ARGENTINA IN NORWAY**