

WORLD TRADE

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Europe and Mercosur into final stretch

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Argentina faces a deadline in April next year to come up with concrete proposals at the European Union-Mercosur summit, a deadline that will be difficult to meet, the Foreign Ministry's International Trade Relations Secretary, Martin Redrado said yesterday.

Speaking at a seminar organized by the Tres de Febrero University, Redrado together with special adviser to the EU Commissioner, Hans Beseler, gently sparred over the ongoing negotiations to set up a Europe-Mercosur trade bloc by October 2004.

With both officials holding the floor for half an hour, neither wasted the opportunity to table some of the grievances that have arisen during the ongoing negotiations.

Beseler, with a certain dose of humour throughout his speech, admitted that the lack of a common external tariff in the Mercosur and the domestic problems such as lack of stability complicate the ongoing talks.

"A further complication has been the 'disaster' of Cancun," Beseler stated, admitting that Europe has become a lot more flexible on numerous issues after this fiasco, where the World Trade Organization members were scheduled to put the Doha round of talks back on track. Redrado stated bluntly during his speech that Europe was largely to blame for the failed talks at Cancun.

As many of the issues, such as

agriculture, a key topic within the EU Mercosur talks, are subordinate to WTO decisions, both sides have agreed to table proposals at the EU Mercosur summit scheduled for April, a task that Redrado said yesterday "will be difficult."

In an aside to the Herald after the event, Beseler suggested that Argentine officials "forego their summer

mended that Mercosur negotiators not "put everything on their agricultural cards."

"Why not focus as well on textiles, shoes and light manufactures?" Beseler asked, pointing out that all barriers on the EU textile market come down in a year and the market will be wide open.

Despite the problems, Beseler

history, the private sector is playing a key role in helping define trade policy. He suggested that the same policy should be adopted by the EU, especially the car manufacturing sector.

He pointed out that the Mercosur CET as set up, was more suited to Brazil's industrial structure and that changes were now being discussed.

manufactured goods from the Mercosur.

Redrado's parting shot before leaving was advice to the EU: "Don't make the same mistakes you did at Cancun, where your demands on numerous issues led to the failure of the talks. In these talks the name of the game is market access."

The European Ambassador to Argentina, Angelos Pagkratis, who chaired the session, welcomed Argentina's new trade policy and said that the EU is comfortable with the multifaceted approach adopted by Argentina "which is very similar to our own."

The ambassador added that now that the EU has pushed through a reform of the Common Agricultural Policy it would be able to become a lot more flexible in negotiations.

Pagkratis, as did Beseler before him, emphasized that the EU is seeking more than just a trade agreement with the Mercosur. "We want a deep integration and we want common rules."

However both officials remarked separately that an EU-Mercosur deal would only become fully operational after the Mercosur itself has become fully integrated.

In answer to a question from the floor, Pagkratis also remarked that the European Union has earmarked some 40 million euros between 2000 and 2006 to assist Mercosur with its integration process.



International Trade Relations Secretary, Martin Redrado, Hans Beseler and EU Ambassador to Argentina Angelos Pagkratis,

holidays" if they wished to meet this crucial stage in the negotiations.

"This will be the moment of truth as to whether a trade deal can be reached by the October deadline," Beseler stated during his speech.

Glossing over a number of technicalities, Beseler also recom-

mented however, that he is "relatively, reasonably optimistic" over the outcome of the talks.

Redrado in turn emphasized that Argentina's trade policy is focussed on gaining market access for its products and highlighted the fact that for the first time in Argentina's

He denied however that the lack of a consolidated common external tariff in the Mercosur is an impediment to trade negotiations.

He emphasized that little progress is likely to be made at the April summit unless the EU gives clear signals on market access for