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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Negotiation of the Association Agreement between the European Union and Mercosur
	- Information from the French, German and Polish delegations

Delegations will find in <u>Annex</u> an information note from the <u>French</u>, <u>German and Polish</u> <u>delegations</u> on the above subject to be presented under "Any other business" at the Council ("Agriculture and Fisheries") on 14-15 November 2016.

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Negotiation of the Association Agreement between the European Union and Mercosur

The Commission proceeded last May 11th with a new exchange of offers with Mercosur, and held a negotiating round with Mercosur last October 10-14th, on which the Commission reported to Member States' experts on October 27th.

While preparing the offer to Mercosur in April, Member States emphasized the needs for close cooperation between Member States and Commission, to proceed stage by stage, and to carefully plan the sequencing of the negotiation in order to ensure at each phase commitments of all parties and sufficient balance between each offer.

With regard to the particularly difficult crisis faced by the European agricultural sector, Member States also insisted on the need to adjust with the greatest care the treatment of agricultural sensitive products, and to build on the most current information and for impact assessments as a basis for the EU offers.

Based on the process adopted since April, regarding the cooperation between Commission and Member states, France, Germany and Poland want to discuss ways to enhance information flows to Member States and the association of Member States to the negotiations.

Moreover, the analysis of the cumulative impact of EU concessions to be presented to Ministers on November 15th, as well as the new developments that took place since May constitute reasons to reexamine the tariff dimension of the negotiations and the implications of these elements on the EU strategy towards Mercosur.

Without prejudice to the outcome of this discussion, already at this stage, France, Germany and Poland are pointing that given the competitiveness of agricultural sectors of Mercosur countries in comparison to the EU agriculture, the exchange of agricultural trade concessions should not be asymmetric to the disadvantage of the EU. The general principles of elimination of unjustified non tarrif-barriers, reciprocity for the concessions, identical transitional periods, respect of the EU standards and policies, as well as SPS regulations, should also be observed in the negotiations with Mercosur.