

European Services Forum

ESF17-14

Mr. Aloysio Nunes Ferreira Filho Ministro de Estado das Relações Exteriores Palácio Itamaraty Esplanada dos Ministérios Brasília/DF - Brazil

Brussels, 29 November 2017

<u>Subject</u>: European Services Industry call for the conclusion of an ambitious EU-MERCOSUR Trade Agreement

Dear Minister Nunes,

I would like to express the support of the European services sectors to conclude an ambitious EU-Mercosur trade agreement, with significant commitments in services. The European Services Forum is the voice of the European services industries for the international trade and investment negotiations

We understand that agricultural trade with the Mercosur countries is an important issue that must be handled with tact and balance, but it is at least equally important that services interests are taken into consideration, as well as the overall political dimension of the agreement.

The total of trade in services volume between the EU and Mercosur countries amounts to more than 32.7 € billion in 2015, and services exports by the EU to Mercosur represent 31.5% of the total volume of exports, including €15.6 billion to Brazil only. These figures show the strategic importance of trade in services with the region. Services companies are very important investors in both economies and create thousands of high skills jobs. Trade and investment could be much higher, should the existing barriers be eliminated or reduced, so as to allow companies to foster trade and investment and create jobs in both sides.

We call upon the EU and Mercosur negotiators to ensure that a deal will seriously improve Parties' commitments in services, as well as improve market access and conditions in public procurement. We would like to highlight our particular interest in better commitments and rules in respect to telecommunications, financial, maritime transport and energy related services. Moreover, provisions guaranteeing flows of data are crucial for service providers across sectors to take full advantage of the business opportunities in the Mercosur and EU countries.

We gather that negotiations are approaching a final phase and would like to encourage Brazil to seize the historic opportunity to finalise the agreement with such important trade partners. In this period of uncertainty in international trade, it is crucial for the EU and Mercosur to demonstrate leadership to the rest of the world.

Yours sincerely,

Noel Clehane ESF Chairman

Noel Clehane

Cc: European Commission Vice President, Mr. Jyrki Katainen; European Trade Commissioner, Ms. Cecilia Malmström; European Agriculture Commissioner, Phil Hogan; Mercosur Foreign Affairs Ministers from Argentina, Paraguay and Uruguay.