

Ms Ursula von der Leyen  
President  
European Commission  
Rue de la Loi 200  
1049 - Brussels  
BELGIUM

Brussels, 5 July 2023

**Subject : European Services Industry call for the swift conclusion and ratification of the EU-MERCOSUR Trade Agreement**

Dear President von der Leyen,

The European Services Forum (ESF) is the European private sector organisation that represents the interests of the European services industries in international trade and investment negotiations. It comprises major European service businesses and European service sector federations covering service sectors including financial services, telecommunications and IT services, maritime transport, postal and express delivery services, business and professional services, construction, and distribution services.

I write to you to express a strong call from the European services industry for the swift conclusion and ratification of the EU-MERCOSUR Trade Agreement.

ESF welcomes your personal engagement in recently traveling the region to push for getting the deal over the finish line. As you highlighted in your speeches, in this complex geopolitical environment, the European Union needs to diversify its supply chains and this agreement with the Mercosur countries offers an immediate and concrete opportunity that must not be missed.

Mercosur is indeed a large market with great growth potential and an increasingly important partner for the EU. The free-trade agreement should give EU services providers and investors better access to this market. Our companies are also very interested in getting better access to public procurement in the region. Such an agreement will help services sectors to preserve our competitiveness and maintain high level of employment. European services sectors invest massively in Mercosur (66% of €321 Billion of outward EU in Brazil are coming from the services sectors), which creates jobs in the EU as well as in the Mercosur region.

Although much of the political and media attention on the recent talks with Mercosur countries have focused on environmental and agriculture issues, it is important realise that the EU has also major interests in trading services with the region.

The total of trade in services volume (exports and imports) between the EU and Mercosur countries amounted to more than 31 € billion in 2019 before the Covid pandemic. The total exports of EU services to Mercosur amounted to 21 € billion in 2019, which represented 33.7% of the total volume of exports of the EU to Mercosur (goods and services). According to Eurostat, Brazil alone is the 12th

trading partner of the EU in international trade in services, with €18.3 billion exports, and a net surplus of €10.1 Billion for the EU in 2022.

The EU services sectors would have of course welcomed better market access commitments than those granted by the Mercosur countries. But after twenty years of negotiations and already four years since the agreement was concluded in principle, it is now time to move towards a swift signature and ratification of the deal.

We acknowledge the work done by the Commission by proposing the adoption of a “joint additional interpretative instrument” to clarify the commitments related to the environment and the sustainability of trade and the supply chains. We take note that the current negotiated agreement already includes the most advanced sustainable development provisions that will foster partnership, help mitigate climate change and bind both sides to effectively implement the Paris Agreement. We therefore consider that with such an additional instrument agreed by the parties, all will be in place for a win-win deal.

It must also be recognised that non-ratification will possibly lead Mercosur countries to continuing to expand their trade with other trading partners that have substantially lower environmental and labour standards.

We encourage you and the EU member states to take the occasion of the EU-CELAC Summit that will take place in Brussels on 17<sup>th</sup> and 18<sup>th</sup> July 2023 to do your utmost efforts to register decisive and clear political commitments to finally conclude the negotiations and ensure a rapid implementation of the agreement. A similar letter has been sent to the President of the European Council and of the European Parliament.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Annette Meyer', written in a cursive style.

Annette Meyer  
ESF Chairwoman

Cc: Executive Vice President and EU Trade Commissioner Valdis Dombrovskis  
Ms. Sabine Weyand, Director General, DG Trade

## List of members supporting the above position

- Amfori
- Apple
- Architects' Council of Europe –ACE
- British Telecom Plc
- BDO
- Bureau International des Producteurs et Intermédiaires d'Assurances – BIPAR
- BUSINESSEUROPE
- BUSINESSEUROPE WTO Working Group
- BSA The Software Alliance – BSA
- Danish Shipping
- Deutsche Post DHL
- DI – Confederation of Danish Industries
- Digital Europe
- EK - Confederation of Finnish Industries
- EuroCommerce
- European Banking Federation - EBF
- European Community Shipowners' Associations – ECSA
- European Express Association – EEA
- Fédération de l'Industrie Européenne de la Construction – FIEC
- FratiniVergano European Lawyers
- General Council of the Bar of England & Wales
- Google
- Huawei Europe
- IBM Europe, Middle East & Africa
- Insurance Europe
- Irish Business and Employers' Confederation - IBEC
- Law Society of England & Wales
- Microsoft Corporation Europe
- Mouvement des entreprises de France – MEDEF
- PostEurop
- Svenskt Näringsliv (Confederation of Swedish Enterprise)
- TechUK
- Telenor Group
- TheCityUK
- UPS
- Vodafone
- Zurich Insurance