



We reject the advance of the negotiations for the EU-MERCOSUR Free Trade Agreement

We do NOT want this agreement, nor any Free Trade Agreement!

February 2018

We the Assembly Argentina Better Off without FTAs manifest our rejection of the negotiations to sign a Free Trade Agreement (FTA) between the countries of Mercosur and the European Union.

Governments from both blocs pretend they are very close to reaching an agreement, which would be signed on February 26th in Asunción. **This Agreement, which has been negotiated for already two decades, is always blocked on the same points:** the access to agrarian markets, especially for meat and agro-fuels like ethanol. However, while an agreement is yet to be reached which would satisfy all the business actors and exporters, we sustain that **this FTA will increase unemployment and inequalities in the populations of the signatory countries, will have a direct impact on health and access to medicines and will worsen climate change and the deterioration of the environment.**

Our rejection is not based on speculations: this Agreement is just a demonstration of what FTAs imply in terms of **loss of rights for the majority of the people**. Like all these agreements, their defenders wrap them in promises of development and cooperation but ultimately only advance the power of corporations, leaving behind the rights of peoples.

An analysis of the recent leaks by Greenpeace (November 2017) of the consolidated chapters show that this FTA damages the rights obtained in the MERCOSUR countries and that the application of its clauses will have a direct impact on the life of peoples, as:

- **It jeopardizes employment.** It is estimated that 186 000 industrial jobs will be lost in Argentina alone. The potential impact of this treaty reaches 11 out of each 100 job in the manufacturing industry. It will hit national enterprises as the increase of imports displace local production, especially in “sensitive” manufacturing activities, such as textile, footwear, toys, leather goods, furniture. In this last sector, 47.000 jobs will be lost while the auto parts sector will have decreased of 32.500 positions and the chemical sector would fall back to 19.000. In this way, the agreement is playing with a significant portion of industrial employment, particularly in sectors with a large trajectory in Argentina which relies on higher qualifications as is the case of metalworking and the automotive industry. Furthermore, the increase of unemployment will have

a negative impact on the consumption and income, which in turn will increase the fiscal deficit and open the door to the deepening of the existing model of economic adjustment;

- **It hinders the access to medicines through an advanced protection of Intellectual Property Rights and Pharmaceutical Patents.** Representing the interests of its pharmaceutical industries, the EU aims to generate more exclusive rights and power in order to monopolistically control the market of medical technologies in the countries of Mercosur. This means that prices of medicines will remain high for a large number of years, with no possibility of interference from member countries to protect public health;
- **It allows EU companies to interfere directly on government procurement in Mercosur countries.** The FTA aims to establish parameters based on the Agreement on Government Procurement (GPA) signed within the WTO, an Agreement which none of the Mercosur countries are parties to (and in which Argentina only participates as an observer). Signing this agreement will open the possibility for European transnational enterprises to participate in the construction of highways, airports, railways and ports, in the same conditions as their local pairs and under rules which countries of the region have rejected in other international forums;
- **It provokes a negative impact on food sovereignty and the rural world**, while increasing pollution and deforestation of zones such as the Amazon rainforest through the expansion of mining industries, extensive livestock farming and agro-industrial monocultures like soya and sugarcane. This will set back Mercosur countries in achieving their commitments regarding human rights, sustainability and climate change as stipulating by the Paris Agreement. It was even verified that this FTA generates “a risk of increasing water contamination” and “a potential negative effect on biodiversity, worsened by the development of demand for biofuels in Europe”. This information appeared in a study on the possible impacts of the FTA, commissioned by the own European Commission in the University of Manchester in 2009;
- **It forces to harmonize certain phytosanitary standards to the European regime, to certify and register seeds or concede plant breeders’ rights over to European producers as if they were local producers.** It demands the adherence to the International Union for the Protection of New Varieties of Plants (UPOV91), which the countries of Mercosur resist to do. This was applied by the EU in other agreements such as the FTA with Equator, where these measures have had a negative impact on peasants and indigenous peoples.
- **It impacts the local consuming habits and allows for the gondolas to be razed with imported products.** Through the Geographical Indications, European producers aim to be the only ones with the capacity to produce certain food varieties such as the cheeses Mozzarella, Fontina, Provolone, Reggiano, Gouda, amongst others; added to the indiscriminate entry of these products with zero tariffs, they will fill up the gondolas, confusing consumers and striking the local food industries.

Moreover, the negotiations of this agreement are carried out **without allowing the participation of civil society and legislative power, denying all access to drafts**. No discussion was opened regarding the clauses and nor any study on the impact of this Agreement on different sectors was presented during the negotiations. Why so secretive? Once these agreements are signed and made public, this complete lack of transparency becomes clear: the signed agreements generate considerable negative results, and many of the promised benefits never materialize.

It is unacceptable that citizens should wait for leaks of the negotiated chapters to find out about what is being agreed upon. These negotiations will require significant changes in the laws of the Mercosur countries. There is no reason why these negotiations should be secret, except because the new rules would directly impact public policy and peoples' lives.

We, the Assembly Argentina Better Off without FTAs, declare our opposition to the advances of free trade in the region and call to discuss and advance in forms of autonomous, democratic organisation for the construction of alternatives propositions of regional integration which would favour the interests of the peoples.

NO TO FTAs!

NO TO THE MERCOSUR – EUROPEAN UNION FREE TRADE AGREEMENT!

YES TO THE INTEGRATION OF PEOPLES!

THE WORLD IS NOT A COMMODITY!

Press contacts:

Luciana Ghiotto (+54) 15-4023-9677

Javier Echaide (+54) 15-4023-9299

Assembly Argentina Better Off without FTAs

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