

EU-Mercosur agreement: A major blow for an inclusive and sustainable development

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Top exported products between EU-Mercosul

Table 3 - Top 12 products exported from the EU to Mercosur (2014-2016)

<i>Name of product</i>	<i>Export share in %</i>	<i>Average MFN tariff in Mercosur</i>
Medicine	3.8	10.5
Aeroplanes	3.6	0.0
Parts and accessories for motor vehicles	1.9	8.7
Antisera and immunological products	1.7	2.7
Motor cars and vehicles (cylinder capacity 1,500 to 3,000)	1.5	23.3
Light vessels, fire floats, floating cranes and other vessels	1.4	7.0
Medium oils and preparations	1.4	1.2
Light oils and preparations	1.4	0.0
Parts and accessories of bodies for motor vehicles	1.3	10.9
Fungicides	1.3	12.0
Part of airplanes or helicopters	1.2	0.0
Vaccines for human medicine	1.2	2.1

Source: SIA (LSE, 2019)

Table 4 - Top 12 products exported from the Mercosur to EU (2014-2016)

<i>Product</i>	<i>Import share in %</i>	<i>Average EU MFN tariff %</i>
Oilcake & residues, resulting from extraction of soya-bean oil	15.5	0.0
Soya beans	7.0	0.0
Chemical wood pulp, soda or sulphate	5.8	0.0
Non-agglomerated iron ores and concentrates	5.8	0.0
Coffee (excluding roasted and decaffeinated)	5.7	0.0
Copper ores and concentrates	3.7	0.0
Petroleum oils and oils obtained from bituminous minerals	2.4	0.0
Agglomerated iron ores and concentrates	2.4	0.0
Orange juice	2.1	38.6
Fresh chilled bovine meat, boneless	2.0	62.2
Gold, in semi-manufactured forms	1.8	0.0
Aeroplanes	1.8	1.4

Source: SIA (LSE, 2019)



EU-Mercosur FTA will boost trade in major climate-impacting ag commodities



Growth in trade expected from the deal as a result of new quotas, by commodity.

Transparency, enforcement and inclusion of local communities in the agreement

- A recent Oxford and Nature Conservancy research (2020) concludes:

The provisional EU-Mercosur agreement does not meet the three tenets of sustainable trade

1. INCLUSION



Despite 20 years of negotiations, local communities were not systematically consulted

2. TRANSPARENCY

There are no traceability requirements for high-risk products



3. ENFORCEMENT



There are no legally-binding safeguards for mitigating sustainability impacts

- Nowadays, European Union imports from Mercosur result in one football field of deforestation each 3 minutes
- **Conclusion: EU-Mercosur agreement fails across sustainability criteria and stands in direct contradiction to the goals of the European Green Deal.**

Signature dates of FTAs between Latin American countries and the European Union

<i>Association Agreement</i>	<i>Signed</i>	<i>Entry into force</i>
Colombia	June 2012	August 1st 2013
Central America	June 2012	August 1st 2013 (provisional application)[13]
Chile	November 2002	March 1st 2005
Ecuador	November 2016	January 1st 2017 (provisional application)
Mexico	May 2000	July 23rd 2000
Peru	June 2012	March 1st 2013

Source: Luciana Ghiotto, Javier Echaide 2019

Case example: EU-Colombia agreement impacts on the environment

- Colombian government policy towards increasing mining exports
- No prior consultation among local communities and civil Society
- After 7 years: Colombia increased mining and agrobusiness land area, such as its exports to the EU
- More than 30% of foreign investments in Colombia come from the EU - mainly in coal, palm oil, mining industries
- The agreement didn't lead to any monitoring or research on the impacts of EU investments in Colombia - what was foreseen in the agreement.

Brazil environmental policies

- ▶ Brazil is Mercosur's largest economy: approx. 80% of its population; 75% of its economy; 70% of its total area.

Bolsonaro government policies:

- Decreased budget of several Brazilian environmental public bodies
- Brazilian environmental public bodies lack autonomy
- Denies Brazilian public bodies statistics on deforestation, threatening public employees and censoring access to information
- Incentive for illegal exploitation of indigenous-environmental protection areas
- Direct government support for illegal miners in the Amazon rainforest
- New records for approval of pesticides (474 in 2019; 201 until aug/2020)



Record deforestation in Brazilian history: Amazon rainforest

spots 2019 deforestation

BOLIVIA

Desmatamento na Amazônia registra pior agosto em 10 anos

Do UOL, em São Paulo
15/09/2020 18h53



Desmatamento na Amazônia cresce 85% em 2019

Segundo dados do Inpe, área desmatada chegou a 9.165,6 quilômetros quadrados no ano passado.



Amazon rainforest fires threaten 265 endangered species, WWF warns

By [Shivali Best](#)
09:57, 9 SEP 2019

The WWF has revealed that the Amazon rainforest fires have increased threats to 265 endangered species of plants and animals

- 124 of the species include wildlife that only occur in the Amazon
- From 265 species, 180 animals
- Estimative of more than 2.3 million animals dead only in the Bolivian part of Amazon rain forest



Injured dog walks near the charred remains of a burnt lowland paca

Record deforestation in Brazilian history: Wetlands (Pantanal)

- ▶ Deliberately started by farmers
- ▶ Record deforestation in Brazilian Pantanal since it started being measured (1995)
- ▶ Fire destroyed 85% of an important National Park, a jaguar sanctuary
- ▶ One of the most biologically diverse places on Earth, home to more than 4,700 species of plants and animals (WWF)

Perda acumulada (em km²) de vegetação no Pantanal

Área devastada por incêndios em 2020 supera em 10 vezes o que foi perdido em 18 anos.

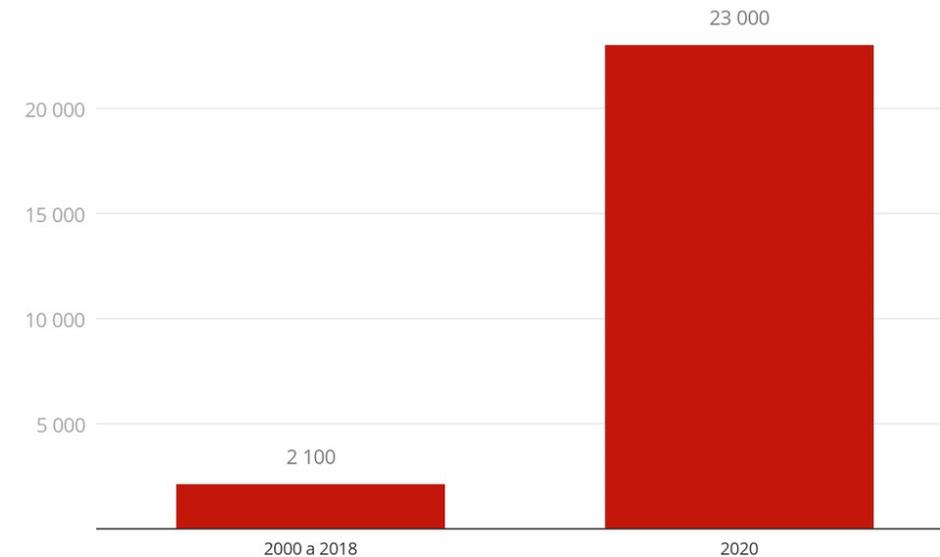
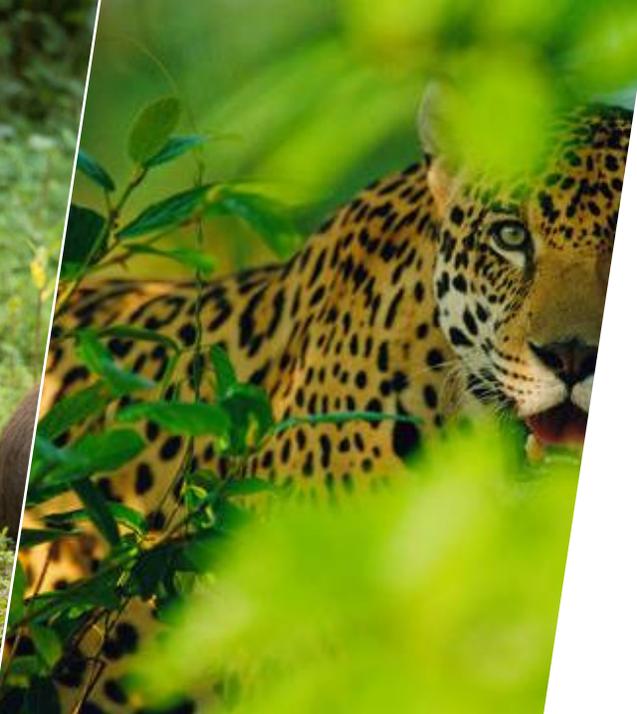


Gráfico: Economia/G1 • Fonte: IBGE

Only in 2020 Brazil lost 15% of the entire Pantanal biome.



Fire threatens
endangered
species



Conclusion

- ▶ Brazil is going through its worst environmental and institutional crisis since democracy consolidation in the late 80's
- ▶ FTA EU-Mercosur benefits mainly the agrobusiness in Mercosur countries, which are directly responsible for deforestation and loss of animal life
- ▶ The agreement text doesn't have any legal binding mechanisms to regulate, monitor or avoid illegal deforestation.
- ▶ For EU, signing the FTA EU-Mercosur under this text and context means:
 - Legitimate Brazilian government pro-deforestation policies
 - Legitimate illegal fires, exploitation and mining in protected areas
 - Will contradict the EU new green deal
 - **Will make the EU accountable for an ecocide**

Sources

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- ▶ <https://www.theguardian.com/world/2020/sep/18/brazilian-wetlands-fires-started-by-humans-and-worsened-by-drought>
- ▶ <https://g1.globo.com/natureza/noticia/2020/09/24/pantanal-tem-maior-numero-mensal-de-focos-de-incendios-na-historia.ghtml>