

Madrid, 17 May 2002

8803/02 (Presse 134)

SECOND MEETING OF HEADS OF STATE AND OF GOVERNMENT OF THE EUROPEAN UNION AND OF MERCOSUR

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JOINT COMMUNIQUE

1. On the occasion of its Second Summit meeting in Madrid, the Heads of State and of Government of Mercosur and of the European Union renewed their commitment to intensify and deepen the existing political, economic, trade and co-operation relations between the two regions, in line with the Interregional Framework Co-operation Agreement of 1995 and with the Joint Rio de Janeiro Communiqué of 28 June 1999.
2. The Heads of State and of Government of the EU and of Mercosur noted with satisfaction the progress made by the Bi-regional Negotiations Committee with a view to establishing an interregional strategic association to cover political, economic, trade and co-operation matters. They emphasised that this initiative aimed at forming such an association enjoys wide support among their respective societies.
3. On examining the considerable progress made in the negotiations on the future Agreement, they specifically noted the growing understanding reached on the political chapter. It is in that spirit of consensus and on the basis of the 1995 Interregional Framework Agreement and particularly the 1995 Common Declaration on the political dialogue, that they have decided to strengthen and deepen their political dialogue on matters of mutual interest on the international agenda, in particular:
 - promotion and protection of human rights, democracy and the rule of law;
 - sustainable development, taking into account the economic, social and environmental dimensions;

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- peace and stability, conflict prevention, confidence and security building, increasing the United Nations' capacity for crisis management;
 - co-operation in the fight against terrorism;
 - combating drug trafficking, money laundering and related crimes, illegal arms trafficking and organised crime;
 - other topics agreed by the Parties.
4. In order to strengthen and deepen the political EU-Mercosur dialogue, and in addition to the mechanisms provided for in the 1995 Common Declaration, the Heads of State and of Government agreed to the following:
- annual meetings at the level of Senior Officials
 - annual meetings at ministerial level in New York, on the occasion of the United Nations General Assembly, and meetings of Heads of Missions in New York every six months
 - meetings prior to the United Nations international conferences
 - the EU and Mercosur Heads of Mission accredited to specialised agencies in Geneva, Paris, Rome, Vienna and Nairobi will hold meetings.
5. As regards co-operation, they welcomed the considerable progress made in the Bi-regional Negotiations Committee, concerning in particular the upgrading of co-operation, in accordance with each party's internal rules and the follow-up mechanisms as appropriate. The Heads of State and Government agreed to accelerate the implementation of the Memorandum of Understanding for pluriannual co-operation signed in Luxembourg on 26 June 2001. In this context, they agreed to implement as soon as possible a substantial co-operation package in sectors of common interest, and in particular in the fields of customs, internal markets, macroeconomic co-ordination policy, social dimension of Mercosur, norms and standards, agriculture and sanitary and phytosanitary matters, among others.
6. The Heads of State and of Government recognised that the association process should support and stimulate the development of Mercosur countries and contribute to the reduction of existing socio-economic disparities between the two regions.
7. With regard to the economic/trade negotiations, they highlighted the progress hitherto, particularly in the discussion of common negotiating texts and the presentation of their respective proposals on customs tariffs.
8. The Heads of State and of Government agreed that the ultimate objective of the trade negotiations is the achievement of further effective access to their respective markets, on the basis of progressive and reciprocal trade liberalisation in accordance with GATT/WTO rules.
9. In the light of their objective to make rapid progress and conclude the negotiations as soon as possible, the Heads of State and of Government agreed to give a new impetus to the economic/trade negotiations under the interregional association agreement. With this in mind, they agreed that before a future Bi-regional Negotiating Committee is organised, and in any case before the end of 2002, there will be a meeting between negotiators at ministerial level.

10. The Heads of State and of Government welcomed the launching of a plan of action on "business facilitation", focused at this primary stage on questions of customs, standards, regulations and conformity assessment, sanitary and phytosanitary measures and electronic commerce. This initiative takes into account the expectations of both Parties' private sectors – including the Mercosur-EU Business Forum (MEBF), among others – regarding the adoption of procedural measures of a practical nature with immediate effect to help clear the way for business between the two regions.
 11. The Heads of State and of Government underlined the importance of agreements on sanitary and phytosanitary measures to promote better trade flows. In this sense, they agreed to start negotiations on sanitary and phytosanitary measures between the EC and Mercosur countries, it being understood that an agreement on sanitary and phytosanitary measures resulting from these negotiations will be part of the single undertaking of the future bi-regional association agreement.
 12. The Heads of State and of Government agreed to pursue negotiations on wines and spirits between the EC and the Mercosur countries, it being understood that an agreement on wines and spirits resulting from these negotiations will be part of the single undertaking of the future bi-regional association agreement.
 13. The Heads of States and Government underlined the importance of the success of the IVth WTO Ministerial Conference held in Doha in November 2001, which launched a new multilateral round of negotiations on further liberalisation of international trade under strengthened rules and disciplines. They accordingly expressed the view that the agreements reached in multilateral and bi-regional negotiations should foster the growth of trade, being mutually supportive and beneficial for all.
 14. Finally, they agreed that the emergence of new threats to peace and international security, together with the challenges posed by the world economic situation, made it even more important to strengthen and deepen their dialogue, co-operation and the efforts to establish a strategic association between the two regions, thus helping to create a dynamic, just and balanced international environment.
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