

Comments on consultation draft of EU-Mercosur SIA Inception Report

<p>Bob van Dillen, CORDAID</p>	
<p>When it comes to selecting 2 case studies in agriculture, I would very much like to suggest selecting soy (rather than apples): 1. Soy is by far the most important ag export product for Brazil and the Mercosur region, and there's the related issue of biofuel that's of interest to both regions. As a second option I would suggest sugar, where there also the link with ethanol, but where the CAP reform measures are now completed and being implemented. 2. The rep of GRET downplayed the importance of soy exports to the EU - as compared to China/Asia. However, China gets their soy and soy products mostly from the USA. The EU is most important for Mercosur as it comes to exports of soy beans and other soy products - precisely because of the zero tariff. We know why this zero tariff is there, and we expect that either with a tariff, or with sustainable production criteria (now being discussed in Round table of Responsible Soy, following example of Palmoil), the demand for sustainable soy will increase, which will have an effect on all actors in the market. For export statistics: see Oilworld and ITC/WTO.</p>	<p>Report amended to include discussion of soya, sugar and ethanol. These commodities will be included in the MTR SIA</p>
<p>Jérôme Shorjian, European Committee of Sugar Manufacturers</p>	
<p>On 18th July you met with Mrs Dominique LUND, CEFS representative who indicated you a technical comment with regard to the trigger price of sugar (page 56 of the report). Indeed there is not only one trigger price but three different:</p> <ul style="list-style-type: none"> - 531 € for white sugar - 418 € for raw sugar for refining - 552 € for raw sugar not for refining <p>I also would have a question on the presentation which was made on agriculture. On Slide 6 (Trade measures - EU), it is mentioned that MERCOSUR countries have a tariff quota to export sugar to the EU. Which quota are you referring to? There is a quota, which allows in practice Brazil -with Australia and Cuba - to export sugar to the EC, but it has been opened under the WTO law on a MFN basis and it is not specifically granted to the MERCOSUR countries</p>	<p>Comments forwarded to GRET for response</p> <p>Report amended to include price information on sugar</p> <p>The quota arrangements for sugar will be discussed in detail in the MTR</p>
<p>JL MERIAUX, European livestock and meat trading union</p>	
<p>I would be interested to know how the study takes into account the improvements in efficiency that are taking place in the beef sector in South America and will allow a significant increase in production without resort to additional pasture etc. Will relevant meat organisations in these countries be contacted for information?</p> <p>On a point of detail, Table 5.14 - not sure why carcasses are included as no trade exists and surely for frozen beef 0202 30 90 with specific duty of 3041 euro plus 12.8% is more relevant.</p>	<p>Comments forwarded to GRET for response</p> <p>These points will be addressed in the MTR</p>
<p>V CORRE, EUROPEAN UNION OF ETHANOL PRODUCERS</p>	
<p>EUEP papers submitted to consultants</p> <p>Brazil is ahead of EU in fuel ethanol production and is able to produce at much cheaper prices. UEPA stresses the strategic</p>	<p>Received and noted</p> <p>Noted</p>

<p>nature of fuel ethanol and suggests that a trade agreement should not prevent the development of an EU fuel ethanol industry</p>	<p>Comments and report sent to GRET who will contact EUPEP</p>
<p>M CABRAL MISSION OF BRAZIL TO THE EUROPEAN COMMUNITIES</p>	
<p>the Inception Report appears to depart from a set of untested premises, and not from a careful collection of empirical data. The conclusions, which should be the end-point of the study, seem in fact to have been already reached in the Inception Report.</p> <p>Trade SIAs frequently assign a disproportionate importance to localised adverse impacts, as opposed to dispersed positive impacts. Given the complexity of the situations examined and the need to work with future scenarios, there is necessarily a significant component of subjectivity in the selection of data and the establishment of the causal links between trade liberalisation and its associated economic, social and environmental impacts. Questions are often raised as to the influence of interest groups in the discretionary choices made during the elaboration of SIAs.</p> <p>Agriculture study: 'On the understanding that such wide ranging generalisations and judgements should be based on robust quantitative evidence and consistent causal relations, we believe the following set of considerations should be taken into account'</p> <p>Case study of the ethanol sector Brazil is convinced that the promotion of biofuels (ethanol and biodiesel) is a very important objective, which can provide significant benefits in the environmental, economic and social dimensions of sustainable development. We therefore hope that this case study can produce an objective and balanced analysis of the ethanol sector, showing the potential benefits of the production and consumption of ethanol in the EU and in Mercosur, especially in the areas of rural development, security of energy supply, and greenhouse gas emission reductions.</p> <p>Forest Study: Since the sectoral study on forestry was not specifically required in the Terms of Reference of this SIA, and since the issue of forestry was considered to be of low priority in the 2003 Overall Preliminary SIA (p. 37), it would be important to have a clear explanation of the reasons for this study.</p> <p>Regardless of the undisputed importance of the issue of forests for the multilateral environmental agenda, it is doubtful whether the EU-Mercosur agreement will have any significant effect on the forestry sector.</p> <p>In order to have an informed and balanced analysis, it is important to contact institutions from Mercosur countries. Some Brazilian institutions are listed below.</p>	<p>The Inception report describes the approach that will be used in carrying out the assessment of potential impacts in the MTR. The draft Inception report has been revised accordingly</p> <p>We note these comments on the application of the SIA methodology</p> <p>The detailed set of issues will be considered in the preparation of the MTR</p> <p>Ethanol will be included in the agriculture sector MTR. The Inception report has been amended accordingly</p> <p>Noted</p> <p>This will be determined by the SIA</p> <p>These institutions will be contacted</p>
<p>C. HEALY MEAT INDUSTRY IRELAND</p>	

Impact of increased beef imports from Mercosur on European food security should be considered	Noted
Employment impacts should also be considered	Noted
The impact of volume ceilings on beef imports from Mercosur to EU could be beneficial to both sides	Noted