

Remarks by President Juncker at the joint press conference with President Macri in the presence of EU and Mercosur Leaders

Good morning ladies and gentlemen,

We stand before you as the proud co-owners of a trade agreement between the European Union and Mercosur.

I like to use words with care but this is a truly historic moment. This agreement has been two decades in the making. The negotiations started 20 years ago yesterday – on 28 June 1999 in Rio de Janeiro! They have been long – and often tough – and we've come close before, but today we finally delivered.

This deal sends a real message in support of open, fair, sustainable and rules-based trade because trade creates good jobs for all concerned.

It shows that in these turbulent moments, agreements can be reached. Mutually beneficial compromises can be found.

This is a landmark agreement for a number of reasons. Firstly, its sheer size. The agreement reached today will create a free trade area covering 780 million people, bringing two continents closer together in a spirit of openness and cooperation.

The immediate benefits will be significant. The agreement will save European companies up to €4 billion in duties at the border. That is 4 times more than our agreement with Japan. It opens up new markets, for instance in public procurement, and breaks down non-tariff barriers. And it will give our companies a head start as it is the first such deal agreed by Mercosur.

Mercosur will in turn have access to the biggest market in the world. Its companies will be able to serve over 500 millions of consumers, virtually tariff-free.

As with all EU trade agreements, this deal promotes our values and supports the multilateral rules based system. Let me give you two examples.

Trade policy has become a tool for climate policy. In the agreement, each of the parties – each and every country bound – commits itself to the effective implementation of the Paris agreement. This locks countries into commitments taken on stopping deforestation in the Amazon for example.

With such historic agreements, we should take a broader perspective. When we started negotiating our trade agreement with Canada (CETA), we were criticised that we did not want to fight climate change. Today Canada is one

of the greatest supporters of the Paris Agreement.

On food safety, all products arriving on the EU market will have to comply with our standards. Both the EU and Mercosur will maintain the right to keep a product out of our market if the science is inconclusive. This precautionary principle is enshrined in text, black on white.

The EU exports more agricultural products than it imports. We have an interest in striking balanced trade deals in this sector with third countries. I believe that the deal is fair for European farmers. It shields our most sensitive sectors with quotas and implementing periods. At the same time it protects our Geographic Indicators and abolishes tariffs for European wine and olive oil for instance.

Over the past 5 years, the EU has consolidated its position as a global leader in trade, just when great turbulence could have affected our companies.

Agreements with 15 countries have entered into force over the last 5 years, including with Canada and Japan. Tomorrow will be signed the trade and investment agreements in with Vietnam.

The EU's trade policy is hard headed in its defence of EU interests but clear eyed in its support of multilateral cooperation. The agreement we have reached with Mercosur is an action that speaks louder than a thousand communiques.

Thank you!