

This document contains the EU revised proposal as it stands at the end of the XXXIInd round of negotiations (21 February – 2 March 2018) on Export competition in the Trade Part of the EU-Mercosur Association Agreement. This is without prejudice to the final outcome of negotiations. Both sides reserve the right to make subsequent modifications to their proposals.

EU revised proposal

Export competition

1. For the purposes of this Article, “export subsidies” shall mean subsidies within the meaning of Article 1 of the Agreement on Subsidies and Countervailing Measures that are contingent upon export performance, including those illustrated in its Annex I and those listed in Article 9 of the Agreement on Agriculture.
2. “Measures with equivalent effect” are export credits, export credit guarantees or insurance programmes, as well as other measures that have an effect equivalent to an export subsidy.
3. “Agricultural products” shall be understood as products listed in Annex I of the Agreement on Agriculture.
4. The Parties reaffirm their commitment expressed in the 2015 Nairobi Ministerial Declaration on Export Competition to exercise utmost restraint with regard to any recourse to all forms of export subsidies and all export measures with equivalent effect.
5. No Party shall maintain, introduce or reintroduce export subsidies or other measures with equivalent effect on an agricultural product that is exported or incorporated in a product that is exported to the territory of the other Party, subject to paragraph 6.
6. The Parties shall continue to comply with any other export subsidy obligations under any relevant WTO Agreement, including the Agreement on Subsidies and Countervailing Measures¹. In addition, a Party shall not grant export credits², export credit guarantees or insurance programmes (“export financing support”) for exports of an agricultural product, destined to the territory of the other Party, unless this export financing support complies with the terms and conditions laid down in relevant paragraphs applicable to the Parties in the 2015 Nairobi Ministerial Decision.
7. The Parties reaffirm their commitment in the 2013 Bali Ministerial Declaration and strengthened by the 2015 Nairobi Ministerial Declaration to enhance transparency and to improve monitoring in relation to all forms of export subsidies and all export measures with equivalent effect. [EU: To this end, upon request of the other Party, a Party shall provide necessary information on measures applied on an agricultural product destined to the territory of the other Party].

¹ However, the second paragraph of item (k) of Annex I to the Agreement on Subsidies and Countervailing Measures shall not be applicable in the case of agricultural products.

² The export credits defined in this paragraph do not include working capital financing to the suppliers.

8. The Parties reaffirm the commitments taken under the 2015 Nairobi Ministerial Decision with regard to international food aid and shall work together to encourage the best practice in the delivery of food aid in the relevant international fora by seeking to limit the monetization of the food aid and the delivery of in-kind food aid only to emergency situations.