



Government
of the Republic
of Croatia



PRIME MINISTER
OF THE CZECH REPUBLIC



THE PRIME MINISTER



REPUBLIC OF ESTONIA
PRIME MINISTER



Prime Minister
Finland



The
Federal Chancellor



Prime Minister of the Republic of Latvia



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Le Premier ministre



REPÚBLICA
PORTUGUESA

PRIME MINISTER



Government of Sweden
Prime Minister

Dr. Ursula von der Leyen
President of the European Commission

Brussels

September 2024

Dear Madam President

The openness of the European Union to the rest of the world, particularly through trade and investment flows, has been an important driver of prosperity for Europe and for our partners. Therefore, we would like to express our deep appreciation of the tireless efforts made by the European Commission to finalize the negotiations of an Association Agreement with MERCOSUR. Given the context of growing geopolitical tensions, it is all

the more of the essence to develop robust international alliances. It is now urgent to secure the progress reached so far and close the negotiations.

The Agreement is of utmost importance to deepen and foster our relations with MERCOSUR. The Agreement will create a free trade area encompassing more than 700 million people, thus creating enormous opportunities for European businesses and workers in markets which have been relatively closed up until now. Moreover, the agreement will help the EU and MERCOSUR to minimise the risks derived from economic dependencies and enhance diversification.

Equally relevant, the Agreement is of highest geopolitical and geo-economic importance. Without the conclusion of the Agreement, other powers would gain an even stronger influence on Latin American markets, both economically and politically. Over the last ten years, European companies lost 15 percent market shares on average in the region. It is obvious that such an economic decline has an impact on EU's political relevance. We should not allow this to continue. The EU must be serious about being a geopolitical actor. Therefore, we need to conclude the negotiations now.

The agreement is much more than an instrument to facilitate trade. It is a comprehensive agreement that promotes collaboration in key sectors that will help foster and promote more inclusive and sustainable economic development for both regions. Moreover, its political and cooperation component will elevate our political relations to strategic status, creating a geopolitical alliance between the EU and countries with whom we have strong historical links and enhancing our open strategic autonomy.

The agreement will project shared values via detailed obligations on trade and sustainable development, including climate change and labour. Additional efforts have been made over the last one and a half years to adapt the agreement to higher sustainability ambitions, while taking into account the changing economic environment of our bilateral trade relations.

Finally, after 25 years we need to act to avoid discouraging the MERCOSUR side regarding the conclusion of the negotiations. Our credibility is at stake: If the EU and MERCOSUR were unable to conclude the negotiations now, this could send a negative sign to other partners, even beyond trade issues.

We believe that all elements are in place to allow for a rapid conclusion of negotiations by the end of 2024 – on the basis of the political agreement reached in 2019 and supplemented by additional commitments negotiated since then. More than extending technical negotiations, with a view to signing the Agreement in the first semester of 2025, a political decision is required.

Following the European election, now is the right moment to finalise the Agreement - to the benefit of our citizens and companies and to the benefit of our sustainability ambitions.

Yours sincerely,

Andrej Plenković
Prime Minister of Croatia

Petr Fiala
Prime Minister of the Czech Republic

Mette Frederiksen
Prime Minister of Denmark

Kristen Michal
Prime Minister of Estonia

Petteri Orpo
Prime Minister of Finland

Olaf Scholz
Federal Chancellor of Germany

Evika Silīņa
Prime Minister of Latvia

Luc Frieden
Prime Minister of Luxembourg

Luís Montenegro
Prime Minister of Portugal

Pedro Sánchez
President of the Government of Spain

Ulf Kristersson
Prime Minister of Sweden