



**Committee on Trade and Development
Tenth Dedicated Session on Regional Trade Agreements**

**FREE TRADE AGREEMENT BETWEEN SOUTHERN COMMON MARKET (MERCOSUR) AND
EGYPT (GOODS)**

NOTE ON THE MEETING OF 22 NOVEMBER 2019

Chairman: H.E. Mr. Chad Blackman (Barbados)

1. The Tenth Dedicated Session on Regional Trade Agreements (RTAs) of the Committee on Trade and Development (CTD) was convened in document WTO/AIR/COMTD/RTA/5/Rev.1 of 12 November 2019. Under item B (IV) of the agenda, the Committee considered the Free Trade Agreement between Southern Common Market (MERCOSUR) and Egypt (Goods) (WT/COMTD/RTA10/N/1, WT/COMTD/RTA10/1, WT/COMTD/RTA10/2). The present document contains the minutes relating to the consideration of this agreement.¹

2. The Chairman said that the Free Trade Agreement between Southern Common Market (MERCOSUR) and Egypt was notified under paragraph 4(a) of the Enabling Clause on 19 February 2018. The notification was originally circulated on 19 February 2018 in document WT/COMTD/N/56. It was then re-circulated on 12 September 2019 in document WT/COMTD/RTA10/N/1, in accordance with the new symbols for notifications and subsequent documentation relating to RTAs, which was agreed to by the CTD at its 108th Session on 5 April 2019. The factual presentation – contained in document WT/COMTD/RTA10/1 dated 13 September 2019 - had been prepared by the Secretariat on its own responsibility, and in full consultation with the parties. Written questions from Thailand and the Dominican Republic, as well as the replies from the parties, had been circulated in document WT/COMTD/RTA10/2.

3. The representative of Brazil, on behalf of the MERCOSUR States Parties – Argentina, Brazil, Paraguay and Uruguay – said that the Free Trade Agreement between MERCOSUR and Egypt was signed in San Juan, Argentina, on 2 August 2010. It had entered into force on 1 September 2017, upon the fulfilment of the requirements for ratification. The agreement provided for the liberalization of trade in goods, and contained provisions on rules of origin, preferential safeguards and dispute settlement, as well as general and final provisions. The parties had also agreed to cooperate in the areas of technical barriers to trade, sanitary and phytosanitary measures, customs matters and investment promotion. He went on to say that the agreement complied with WTO principles and requirements, and had been notified to the WTO on 19 February 2018 under paragraph 4(a) of the Enabling Clause. Each party would allow duty-free access to goods originating in the other party, and such preferential treatment would be granted in accordance with the negotiated tariff elimination schedule. In that respect, following the entry into force of the agreement, MERCOSUR had provided Egypt with immediate tariff-free access to 24% of its entire range of goods. Tariffs on the remaining products eligible for preferential treatment would be eliminated in four, eight and ten equal annual instalments. The entire process of preferential trade liberalization would last nine years, and would end in December 2026. In addition, the Joint Administration Committee of the agreement could decide to grant new concessions for products that had not been originally considered, or to speed up tariff reductions on goods already covered.

4. The representative of Egypt noted that the Free Trade Agreement between MERCOSUR and Egypt was signed by the parties on 2 August 2010, and had entered into force on 1 September 2017. The trade liberalization offered by Egypt to the MERCOSUR States would take place over ten years from

¹ The general minutes of the CTD's Tenth Dedicated Session on RTAs are contained in document WT/COMTD/RTA/M/10.

the date of entry into force of the agreement. Egypt had already liberalized 1,090 tariff lines for Argentina, Brazil, and Uruguay, and 1,094 lines for Paraguay. An additional 739 lines would be liberalized in 2020 for all MERCOSUR States. Egypt would also liberalize around 1,700 tariff lines in 2024 and 1,100 tariff lines in 2026. He noted in conclusion that Egypt was looking forward to expanding its trade relations with the MERCOSUR States through the full implementation of trade liberalization under the agreement. His delegation believed that the agreement would serve as an important tool for the private sector on both sides to help develop trade and investment partnerships.

5. The representative of the United States expressed appreciation to the parties for their participation in the transparency exercise, and for providing the necessary data to the Secretariat for the preparation of the factual presentation.

6. The representative of the European Union indicated that she also wished to thank the parties for providing the necessary information and data to participate in the transparency exercise.

7. The Chairman said that oral discussion of the Free Trade Agreement between MERCOSUR and Egypt could be concluded in accordance with paragraph 11 of the RTA TM. Follow-up questions by Members would need to be submitted in writing to the Secretariat within one week, by 29 November 2019. The parties would then be given two weeks to submit written replies, by no later than 13 December 2019. In accordance with paragraph 13 of the RTA TM, all written submissions as well as the minutes of the present meeting would be circulated promptly in all WTO official languages, and would be made available on the WTO website.

8. The Committee took note of all interventions.
