

Lisbon, 17 March 2021

Thank you for your letter on the EU-MERCOSUR Agreement.

As Presidency of the Council of the EU it is useful to have an in-depth insight on our partners' positions, as it helps to steer the matters in a way that accommodates the general interest as much as possible.

I am aware of the concerns the EU-MERCOSUR Agreement raises in your country and of the resolution passed by the Austrian Parliament currently binding Austria's Government.

I share your belief on the responsibility owed to future generations. Leaving them a better world is paramount for us. However, we favour a different approach to protect and promote the environment worldwide.

A holistic approach to develop trade is important not only to our economic growth and to guarantee the EU's open strategic autonomy, but also to environmental protection. That is precisely one of the axes of the Communication that the European Commission recently presented on the Trade Policy Review.

The EU-MERCOSUR Agreement is of great geopolitical importance. It will benefit our economies and strengthen political ties with a region of growing relevance in international discussions on trade, investment and sustainable development.

The Agreement with MERCOSUR includes a chapter on Trade and Sustainable Development that commits the parties, among other things, to implement the Paris Agreement on Climate, protect the environment and reduce deforestation and illegal logging.

Even though the negotiations with MERCOSUR were very recently concluded, the European Commission and EU Member States felt that there was the need to clarify some aspects of the Agreement and if necessary agree on some additional commitments in the environmental area. It is very positive that MERCOSUR countries are showing willingness to engage in that initiative.

The Portuguese Presidency is keen to see this process moving forward. We are convinced that the additional commitments to the Sustainable Development chapter of the Agreement will contribute to both sides' accountability. I am pleased to inform you that the first informal discussion on this topic between EU Member States, the European Commission and the EEAS, this week, was quite positive.

Not concluding the EU-MERCOSUR Agreement and preventing its entry into force would leave the EU, and the world, in a much worse position, deprived of any instrument to promote the higher environmental standards we aim to uphold. Without the Agreement we will have no commitments on environment and deforestation from the MERCOSUR countries. This will also provide room for others - for whom sustainability is not as important - to establish strictly mercantile ties that would eventually result in further environmental damage, namely regarding deforestation.

I would like to assure you that the Portuguese Presidency is committed to contributing to an open and transparent European debate on this issue, respecting the rules followed in the adoption of any agreement, including the EU-MERCOSUR Agreement.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'António Costa', is positioned above the printed name.

António Costa

His Excellency
Mr Werner Kogler
Vice Chancellor of the Republic of Austria