

INTERIM AGREEMENT ON TRADE BETWEEN THE EUROPEAN UNION, OF THE ONE
PART, AND THE COMMON MARKET OF THE SOUTH, THE ARGENTINE REPUBLIC, THE
FEDERATIVE REPUBLIC OF BRAZIL, THE REPUBLIC OF PARAGUAY AND THE
ORIENTAL REPUBLIC OF URUGUAY, OF THE OTHER PART

THE EUROPEAN UNION, hereinafter referred to as "the Union" or the "EU",

of the one part, and

THE ARGENTINE REPUBLIC,

THE FEDERATIVE REPUBLIC OF BRAZIL,

THE REPUBLIC OF PARAGUAY,

THE ORIENTAL REPUBLIC OF URUGUAY,

State Parties to the Common Market of the South signatories of this Agreement, hereinafter referred
to as "Signatory MERCOSUR States", and

THE COMMON MARKET OF THE SOUTH, hereinafter referred to as "MERCOSUR",

of the other part,

hereinafter jointly referred to as "the Parties",

for the purposes of this Agreement MERCOSUR refers to the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the Oriental Republic of Uruguay,

CONSIDERING the important and longstanding trade and investment relations between the Parties;

REAFFIRMING their commitment to further strengthen, liberalise and diversify their trade and investment relations;

RECOGNISING that the provisions of this Agreement maintain the right of the Parties to regulate within their territories in conformity with their internal legislation to achieve legitimate policy objectives, such as public health, safety, environment, education, public morals, and the promotion and protection of cultural diversity, among others;

BUILDING UPON the rights and obligations of the Parties in the World Trade Organisation;

REAFFIRMING their commitment to strengthen and develop the multilateral trading system through the application of transparent, equitable and non-discriminatory rules, with a view to the promotion of increasingly dynamic and open international trade which ensures a larger participation of developing countries in international trade, investment and technology flows;

REAFFIRMING their commitment to promote international trade in such a way as to contribute to sustainable development in its economic, social and environment dimensions, involving all relevant stakeholders, including civil society and the private sector, and to implement this agreement in a manner consistent with their respective laws and international commitments on labour and environmental matters;

RECOGNISING the interim character of this Agreement, which will strengthen bilateral economic and trade relations between the Parties, which will be subsumed under the EU–MERCOSUR Partnership Agreement and which will hence cease to apply upon the entry into force of the EU–MERCOSUR Partnership Agreement;

REAFFIRMING the Parties' right to exploit their natural resources in accordance with their own environmental policies, and sustainable development goals;

DESIRING to improve the competitiveness of their enterprises, by providing them with a predictable legal framework for their trade and investment relations, with special attention to micro, small and medium enterprises;

REAFFIRMING the need to promote the respect of internationally recognised guidelines and principles of corporate social responsibility and responsible business conduct, including the Organisation of Economic Cooperation and Development (hereinafter referred to as "OECD") Guidelines for Multinational Enterprises, amongst enterprises operating in their territories;

REAFFIRMING their commitment to promote comprehensive economic and social development with the objective of raising living standards, eradicating poverty, and enhancing the levels of labour and environmental protection in their respective territories;

CONSIDERING the importance of their respective regional integration processes for the promotion of economic and social development at the regional and global levels, for the strengthening of ties between their peoples and for international stability;

RECOGNISING the differences in economic and social development between and within the Parties;

RECOGNISING the specific challenges and difficulties faced by Paraguay as a landlocked developing country;

HAVE AGREED AS FOLLOWS: