



EUROPEAN UNION *~FACTSHEET~*

EU-BRAZIL SUMMIT

(Brasilia, 24 January 2013)

EU STRATEGIC PARTNERSHIP WITH BRAZIL

The EU-Brazil strategic partnership was established at the first bilateral summit in July 2007, in recognition of both sides' political and economic importance. Regular high level visits, cooperation in a wide range of areas and consultations in the margins of major multilateral events make for dynamic and strong relations.

Summits are held annually and focus on key global challenges such as the maintenance of peace and security, climate change, developments in the international economy as well as the analysis of the respective regional situations. Five summits have been held so far.

To underpin the strategic partnership, leaders adopted a second three-year (2012-2014) EU-Brazil joint action plan at the summit in October 2011. It identifies five priority areas for cooperation: peace and security through an effective multilateral system; sustainable development; regional cooperation; science, technology and innovation; people-to-people contacts and cultural exchanges.

Human rights issues are addressed at the EU-Brazil Human Rights Dialogue held annually in Brasilia and in regular meetings in the margins of the Human Rights Council in Geneva and of the UN General Assembly. The main issues broached are human rights in the multilateral framework as well as in the EU and in Brazil.

From 2013 to 2015, Brazil is a member of the Human Rights Council in Geneva. The EU and Brazil are like-minded on many issues such as death penalty, human rights defenders, children's rights, discrimination and freedom of religion or belief and have agreed to join forces to advance them at the UN.

In the international scene, Brazil and the EU share common values, strategic objectives and their commitment to multilateral diplomacy. Brazil has already participated in a common security and defence policy operation and is in the process of negotiating an framework participation agreement to facilitate its involvement in EU missions and operations.

P R E S S

Trade relations

In spite of the crisis, trade flows between the EU and Brazil have been increasing in both directions. The EU remains Brazil's main trading partner, accounting for 22.2% of the country's total trade in 2010. Conversely, Brazil is the EU's eighth (very similar level to South Korea and India) trading partner and made up around 2% of the EU's total trade.

In the first nine months of 2012, EU exports in goods to Brazil increased compared to the same period in 2011. At the same time, imports fell, leading to a small surplus for the EU. Since 2000, the EU had always had deficits in trade in goods with Brazil.

Already in 2011, trade in both goods and services between the EU and Brazil grew strongly. In the goods sector, EU exports to Brazil were worth € 35.7 billion, while imports grew by 17% to reach € 38.9 billion. Over 85% of EU exports to Brazil consisted of manufactured goods, such as machinery, vehicles and chemicals. At the same time, the EU exported € 11.5 billion worth of services, while the imports of services totalled € 7.1 billion.

The EU is the destination number one of Brazil's exports and imports. More than 21% of Brazil's exports go to the EU. The EU continued to import primarily raw materials, food and drink: 70% of imports consisted of products such as soy beans, oilcake, iron ore, coffee or crude oil.

The EU is the biggest foreign investor in Brazil, with more than 40% of the total stock of Foreign Direct Investment (FDI) in the country: € 238 billion in 2011, more than double the EU FDI stocks in China. In 2011, EU FDI flows to Brazil totalled € 27.5 billion, while Brazilian FDI flows to the EU accounted for € 3.0 billion.

Sectoral dialogues and exchanges

Around 30 political dialogues have been established so far in a wide range of policy areas, including human rights, energy, climate change, environment, information society, regional development, science and technology, social policy, culture, education, air transport, economic affairs, financial services, tourism and agriculture.

A horizontal and an air safety agreement were signed at the summit in July 2010. A comprehensive air transport agreement (open-skies agreement) was initialled in March 2011, but has not yet been signed by both of the parties. The agreement would open markets, create new investment opportunities as well as improve the commercial and operational environment for carriers.

Two short-stay visa waiver agreements were signed in October 2010: The agreement for diplomatic passport holders entered into force on 1 April 2011 whereas the one for ordinary passport holders entered into force on 7 October 2012.

Research and innovation

EU-Brazil cooperation in science, technology and innovation is very solid. During the upcoming summit, an implementing arrangement concerning cooperation between the Commission's Joint Research Centre and the Brazilian Ministry of Science, Technology and Innovation will be signed.

In the current 7th research framework programme (FP7), Brazil ranks sixth among participating third countries, with about 190 public and private research organisations from Brazil taking part in more than 140 projects. These are mainly in information and communication technologies, food, agriculture and fisheries, biotechnology, transport and health.

Besides, over 40 Marie Skłodowska-Curie researcher mobility actions are in place, funding a period of research abroad. The EU contribution for Brazilian participants is about € 25.8 million.

In addition, a co-operation agreement between Euratom and Brazil in the field of fusion energy research was signed in Brasilia in November 2009 (not yet in force pending completion of the Brazilian ratification procedure).

EU-Brazil development cooperation

The EU has identified two priorities in its support to Brazil for the period 2007-2013: Enhancing bilateral relations and promoting the environmental dimension of sustainable development. €61 million have been attributed to Brazil for that period.

The strategic partnership provides for cooperation between the EU and Brazil in the area of development through better coordination within relevant international fora and through trilateral cooperation. Promoting triangular cooperation with Brazil in developing countries (notably Portuguese-speaking Africa and Timor-Leste) has been agreed, including in health, energy, agriculture, education, justice and security sector reforms.

Brazil and Mercosur

Mercosur, founded in 1991, brings together Argentina, Brazil, Paraguay, Uruguay and Venezuela in a customs union and a common market. Bolivia is in the process of becoming a full member while Chile, Colombia, Ecuador and Peru are associated. Brazil represents 70% of Mercosur's GDP and 80% of its population.

Mercosur is a large market with considerable growth potential. Total GDP of the region reaches €1800 billion, more than South Korea, India or Russia. Average annual GDP growth in the block exceeded 5% over the past 7 years. In terms of EU exports, Mercosur ranks on par with India and ahead of both Canada and Korea. EU investments in Mercosur amount to more than €165 billion, more than EU investments in China, India and Russia combined.

The EU is currently negotiating with Mercosur for an Association Agreement. Talks started in 1999 and, although stalled in 2004, the process was re-launched in May 2010 at the EU-LAC summit. Nine rounds of negotiations have been held since then, most recently in October 2012.

This agreement would boost exports and growth and strengthen EU-Mercosur cooperation in international fora, including on the reforms of global economic governance and the international financial institutions, climate change, G20, human rights and the fight against poverty.

