

## DELEGATION OF THE EUROPEAN UNION TO BRAZIL

Author: Art. 4(1)(b)

Date: 18.01.2019

Classification:  
UNCLASSIFIED

To: EDITA HRDA, Managing Director Americas, EEAS

Subject: BRAZIL: Argentinian President Macri is the first Head of State to visit Brazil since the inauguration of President Bolsonaro (Brasilia, 16 January 2019)

Art. 4(1)(a) 3rd indent

### ASSESSMENT:

1. The visit of President Macri was considered very important by President Bolsonaro.  
Art. 4(1)(a) 3rd indent
2. Important issues were tackled during the visit, notably the future of Mercosur (as Argentina is currently holding the pro-tempore presidency of the bloc and Brazil will have it during the second Semester 2019) Out of scope
3. President Bolsonaro accepted an invitation by President Macri to visit Argentina at a later date to be confirmed.

### Detail:

4. President Mauricio Macri was the first Head of State to visit Brasilia since the inauguration of Jair Bolsonaro as President on 1 January.  
Art. 4(1)(a) 3rd indent
5. During his visit, Macri was accompanied by numerous ministers, including Nicolás Dujovne (Finance), Dante Sica (Production and Work), Jorge Faurie (Foreign Relations), Germán Garavano (Justice), Patricia Bullrich (Security), and Oscar Aguad (Defence). On the Brazilian side, apart the Minister of Foreign Affairs Ernesto Araújo, several other ministers were also present, including Minister of Justice, Sergio Moro; Defence, Fernando Azevedo Silva; Economics, Paulo Guedes; Agriculture, Teresa Cristina; Mines and Energy, Bento Costa Lima Leita Albuquerque Junior; Science, Technology and Information, Marco Pontes, and Institutional Security Cabinet, Augusto Heleno. The new President of the Foreign Trade Promotion Agency, Mario Vilalba, and the Secretary of Strategic Affairs, Maynard Marques de Santa Rosa also participated in the encounters.
6. Brazil is Argentina's largest trade partner and Argentina is the main destination for Brazilian manufactured goods.  
Art. 4(1)(a) 3rd indent  
There has been a big drop in trade flows in recent years, when Argentina exported less to Brazil. As a whole Mercosur became less important to Brazil as a percentage of its global trade, dropping to 8.7% in 2017 from 10.8% in 2011.

### The need to modernize and re-centre Mercosur:

7. On Mercosur, both presidents declared in a joint statement that they decided to work, during their consecutive pro-tempore presidencies in 2019, to review the common external tariff; improve access to markets, and go further in trade facilitation and regulatory compliance. At the external level, they agreed to push forward the "most promising" ongoing negotiations and to assess the beginning of new negotiations with other partners..
8. Both Presidents agreed to continue integrating their economies by "*perfecting*" the South American trade bloc Mercosur and pressing ahead with negotiations that are already underway. "*Brazil will be a strong ally in building an integrated region*" Bolsonaro said. "*We are confident that Mercosur can be modernized.*" He evoked a "*slender*" Mercosur: "*It is necessary to value the original Mercosur tradition, with commercial opening, reduction of barriers and elimination of bureaucracies. We also agree that, with Uruguay and Paraguay, we need to improve Mercosur*".

Art. 4(1)(a) 3rd indent

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### The fight against transnational crime among other cooperation priorities

13. Regarding bilateral agenda items, both presidents agreed on a non-exhaustive list of priorities for future cooperation. Among the most notable, the list includes :

Out of scope

- Trade: prompt and systematic treatment of trade and investment issues; trade facilitation.

