



Joint Statement of the representative bodies of the leather industry of Europe (COTANCE) and Brazil (CICB - Centre for the Brazilian Tanning Industry), on the negotiations for an EU-Mercosur Free Trade Agreement

COTANCE and CICB call for the conclusion of an ambitious EU-Mercosur FTA

December 2018

The European and Brazilian leather industry organisations, representing tanneries of all sizes, hereby jointly express their strong support for the EU-Mercosur FTA and call on the negotiators of both sides to ensure an ambitious outcome for the leather sector.

The EU and Mercosur comprise about a third of global availability of bovine hides and skins and a fifth of sheep & goatskins. They represent some 50% of global bovine leather output and circa 18% of sheep & goat leather. Together, they make up of about 60% of the World's bovine leather exports and some 20% for sheep & goat leather. An ambitious FTA between both sides eliminating both import and export barriers for the trade in raw materials (hides and skins) and leather is a once in a generation opportunity to secure the sector's economic growth and jobs and enhance rules-based trade at a time when protectionism surfaces around the world.

The agreement ought to remove all tariffs and non-tariff measures in the leather sector's imports and exports enhancing market access and facilitating services and investment flows.

The elimination of import and export tariffs will save the sector's operators significant financial resources that are better devoted to the improvement of their competitiveness and their sustainable development. They will also contribute to reduce the volatility of raw material prices and increase the market stability and predictability that the sector's operators need. The free trade agreement shall level the playing field between European and Brazilian leather companies, and allow them to make use of their respective comparative advantages and specialised knowledge to offer to global markets better products and services at cheaper prices. Free and fair competition will help to stimulate trade and encourage investment in each other's economies.

Such an ambitious EU-Mercosur agreement in the leather sector will be a step towards a closer bilateral cooperation in the leather trade & industry and an opportunity to set a standard for the convergence of global trade rules in the leather sector with, as a side-result, benefits to the sustainable development of infant leather industries in poorer countries.

After all, our shared interests mean that we can jointly advance the rules-based international economic order and oppose protectionism, the erosion of standards, and unfair trade

practices. Through regulatory cooperation between our governments, we can furthermore preserve future gains from this agreement and encourage other trading partners to rise up to our level.

We therefore urge European and Mercosur negotiators to proceed with the negotiation process as quickly as possible, to ensure that the leather companies and workers of our two economies benefit from this agreement as soon as possible.



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