

MERCOSUR-GCC DECLARATION

The Ministers of External Relations of the Member States of MERCOSUR and the Undersecretary General of the Cooperation Council for the Arab States of the Gulf (GCC) met in Rio de Janeiro, on January 18, on the occasion of the MERCOSUR's Council Meeting.

The Ministers expressed their high satisfaction with the progress already achieved in the negotiations of a MERCOSUR-GCC Free Trade Area, which were launched within the scope of the Framework Agreement signed during the South American-Arab Countries Summit held in Brasilia, in May 2005. They praised the efforts of the negotiating teams of both regions, which met three times over the last three months to make this achievement possible. They reiterated that this endeavor is one of the main priorities of each region's negotiating agenda, in view of its global significance, of the economic dimension of both blocs and of the concrete business opportunities to be opened by such Agreement.

The Ministers acknowledged the near completion of the main instruments of the Free Trade Agreement, namely:

- The text of the Preamble and of the General Provisions;
- The Chapter on Trade in Goods, which establishes the parameters for deep trade liberalization within a period of 8 years;
- The Chapter on Services, foreseeing liberalization of Services markets beyond the levels already committed by each side in the WTO;
- The Chapter on Investment, providing a framework for national treatment and market access liberalization in this important area; and
- The Institutional and Final Provisions.

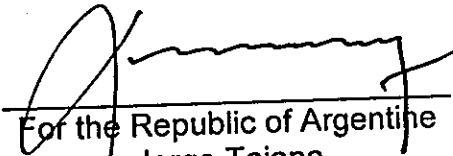
This set of instruments will be complemented by the annexes on Dispute Settlement and Safeguards, as well as by the schedules of specific commitments in Services and Investment, within the framework of the respective Chapters. The annexes on schedules of tariff-elimination, within the parameters set by the Chapter on Trade in Goods, and on Rules of Origin have been also substantially developed and are to be completed.

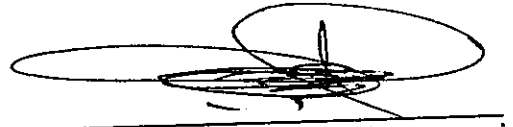
The whole Free Trade Agreement, comprising all such texts and commitments shall be concluded not later than June, 2007, for its signature at the GCC's Council Meeting.

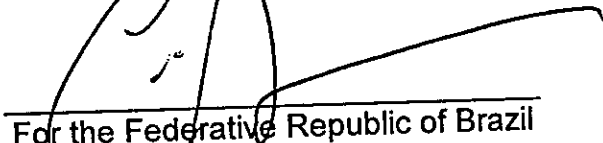
Done in Rio de Janeiro, on the 18th of January of 2007, in two originals in the Spanish, English and Portuguese languages, all being equally authentic.

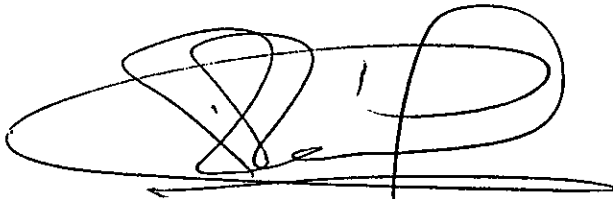
For MERCOSUR


For GCC


For the Republic of Argentine
Jorge Taiana


Mohammed Obaid Almazrooei


For the Federative Republic of Brazil
Celso Amorim


For the Republic of Paraguay
Rubén Ramírez Lezcano


For the Oriental Republic of Uruguay
Reinaldo Gargano