



THE EU-MERCOSUR FREE TRADE AGREEMENT



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STRUCTURE

- 1) WHY MERCOSUR MATTERS – AND WHY NOW
- 2) EXPECTED BENEFITS
- 3) OPPORTUNITIES FOR GREECE
- 4) NEXT STEPS

1. WHY MERCOSUR MATTERS – AND WHY NOW

MERCOSUR (Argentina, Brazil, Paraguay, Uruguay*)

Mercosur is the
EU's 10th
biggest trading
partner



Population of **273 million+**



Annual GDP: €2.9 trillion (5th biggest economy outside EU)



EU goods **exports: €56 billion** (2023)

EU services **exports : €28 billion** (2023)

EU goods **imports: €54 billion** (2023)

EU services **imports: €13 billion** (2023)



€385 billion EU **investment stocks** in Mercosur (2023)

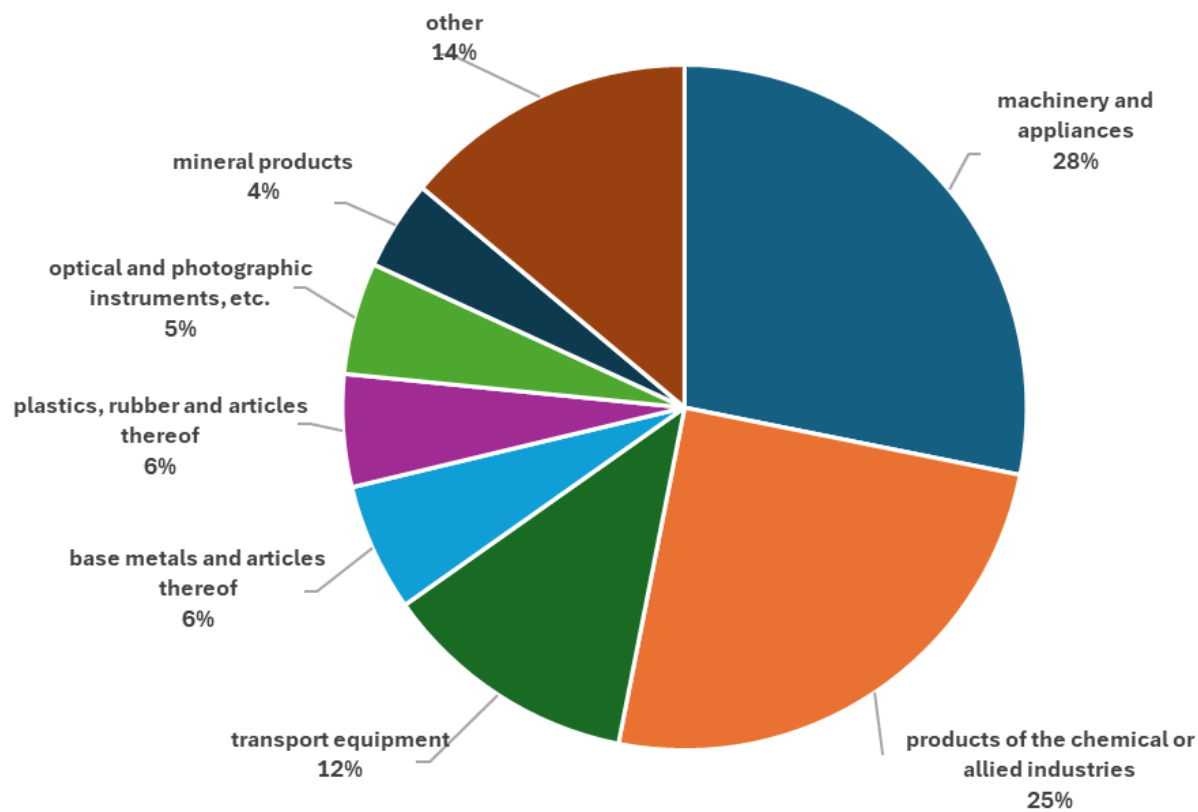
€7 billion Mercosur **investment stocks** in the EU (2023)

The EU is
Mercosur's second
biggest trading
partner



EU GOODS EXPORTS TO MERCOSUR

- EU exports are **diversified** and **high value added** products
- **Key sectors** include machinery, pharmaceutical products, vehicles, and electrical machinery
- **Other relevant sectors** include optical instruments and chemicals

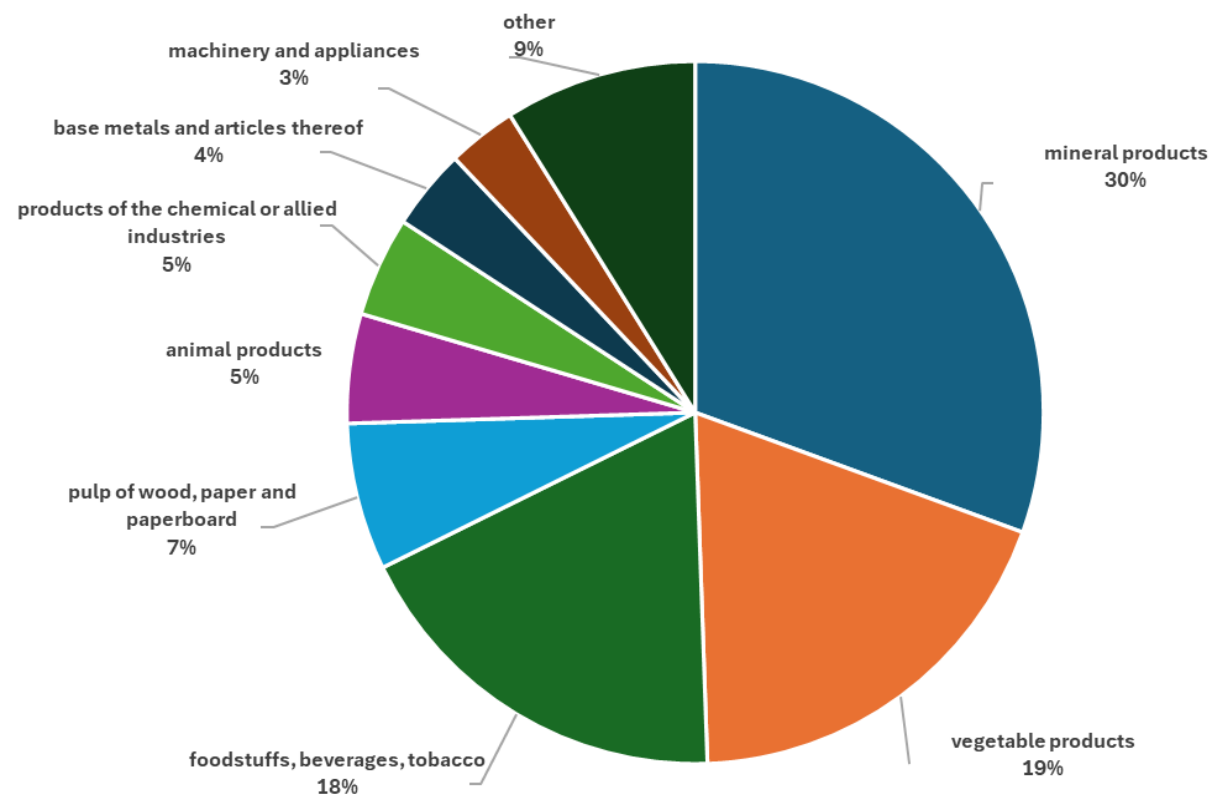


*2024 data



EU GOODS IMPORTS FROM MERCOSUR

- EU imports are comprised predominantly of **key inputs** for EU farmers and industries
- Key sectors include **mineral fuels**, mineral oils coffee, tea, and ores



CURRENT CHALLENGES FOR BUSINESSES

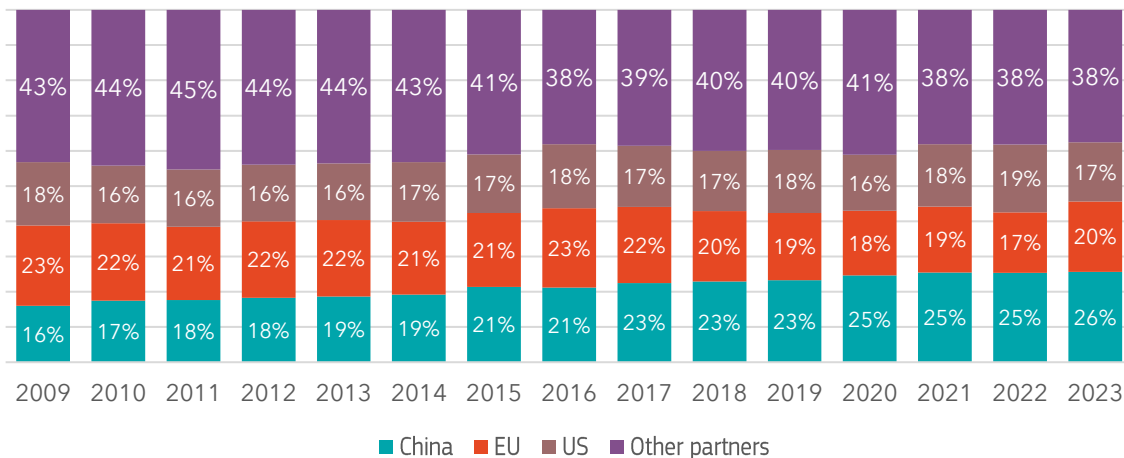
- High tariffs on most products;
- Complex procedures and high costs to prove that products meet technical requirements or standards;
- Limited access for businesses (especially SMEs):
- Preference given to domestic firms and goods over foreign firms and goods in government contracts;
- Lack of easy access to information on how to do business in the respective countries.



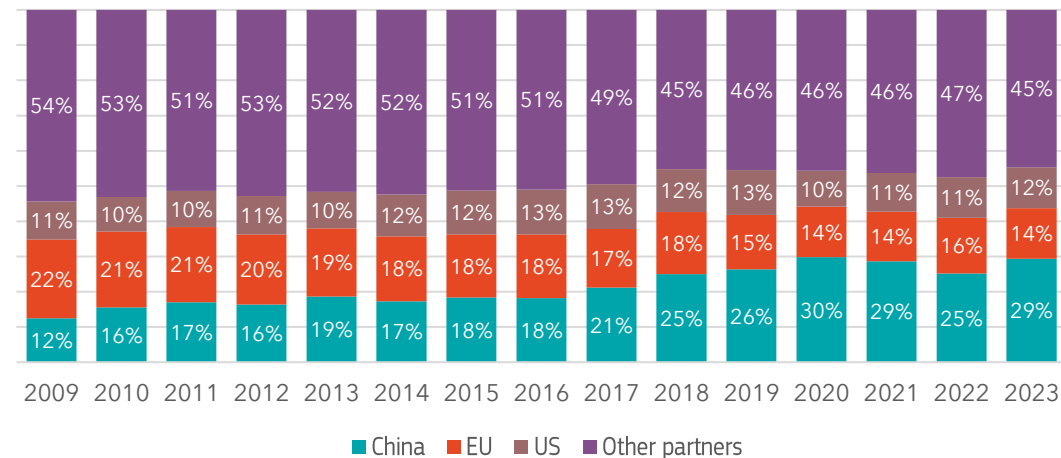
TRADE IN GOODS

- The EU lost its leading position in Mercosur import market shares to China in 2017, which now accounts for 27% of Mercosur imports compared to the EU's 19% (2024).
- In the absence of the agreement, this trend is expected to persist.

Mercosur imports by partner, 2009-2023



Mercosur exports by partner, 2009-2023



THE EU-MERCOSUR AGREEMENT

- Geoeconomic and geostrategic relevance of the Agreement and importance of trade founded on **clear and predictable rules**.
- Mercosur companies will be able to **trade more easily** with European countries and vice versa, offer services at **more competitive prices**, **increase exports of goods**, **access public procurement opportunities**, and benefit from improved intellectual property protection.
- Safeguarding Europe's and Mercosur's **economic security**.



On December 6th 2024 the European Union and Mercosur - Argentina, Brazil, Paraguay, Uruguay - reached a political agreement for a comprehensive trade agreement as **part of a broader Partnership Agreement**.

Key goals of the EU-Mercosur trade agreement are:

Boost trade and investment

Eliminate customs duties in key export sectors

Secure stable and predictable access to raw materials

Improve competitiveness

Promote shared values and sustainable development

2. EXPECTED BENEFITS

EXPECTED ECONOMIC OUTCOME

- The EU-Mercosur trade deal is projected to increase EU GDP by **EUR 77.6 billion by 2040** (with Mercosur economies **gaining around 9.4 billion**).
- Savings of around EUR 4 billion / year on custom duties
- EU exports are expected to **surge by 39% (€49 billion)**.
- EU exports of agricultural products to Mercosur will increase by **almost €1.2 billion (+49% relative to current levels)**



TRADE IN GOODS

Duty removals / tariff elimination

	EU	MERCOSUR
% of trade liberalised	92%	91%
% of tariff lines liberalised	95%	91%
Transition period	10 years	Mostly 10 years (in some cases 18)

The remaining lines will be subject to “standstill commitments”, meaning that tariffs cannot be increased above current levels.



EXAMPLE: INDUSTRIAL GOODS

Sector	EU exports ref period	EU exports liberalised	Current tariffs
Vehicles	€1.833 million	91,7%	35%
Car parts	€8.164 million	90,1%	14-18%
Machinery	€11.456 million	93,0%	14-20%
Chemicals	€7.395 million	84,4%	up to 18%
Pharma	€3.837 million	90,4%	up to 14%
Textiles	€404 million	100,0%	35%



Additionally, European importers will not have to pay tariffs to import CRMs from Mercosur, which will **reduce** the cost of CRMs used in production processes. Mercosur countries have the potential to become larger providers of CRM to EU countries and increase the diversity and resilience of EU supply chains.



GEOGRAPHICAL INDICATIONS

- Effective recognition and protection of 344 EU and 220 Mercosur GIs, banning imitations as well as misleading terms, symbols, flags or images.
- Only **genuine products** will carry the GI name.
- Such protection helps make the products more distinct and will help to sell more products and at more premium prices.
- The agreement allows for new names to be added later.

3. OPPORTUNITIES FOR GREECE

EU–MERCOSUR – Opportunities for Greece

- Around 590,000 Greek jobs are supported by Greek and EU exports to the world ($\approx$ 1 in 8 jobs).
- Total trade between Greece and MERCOSUR currently stands at approximately €2.6 billion.
- The Agreement strengthens access for Greek firms and SMEs to MERCOSUR countries, boosting exports of industrial and food products.

Opportunities for Greece

- Elimination of tariffs on 91% of all products, benefiting nearly all Greek exports.
- Greek agri-food exports to MERCOSUR (2024): €34.3 million. Tariffs of 27–55 % to be reduced to 0% for many products.
- 97% of Greek exporters are SMEs: they benefit from lower tariffs, simplified customs, and access to MERCOSUR public contracts.
- Opportunities for distinctive Greek delicacies at premium prices through GI protection. Protection of 21 Greek Geographical Indications (e.g., Feta, Kalamata olives, Saffron of Kozani).
- Greek services exports to MERCOSUR (2023): €1.6 billion, mainly transport (€1.5 billion). Agreement opens financial, postal, telecom, and digital sectors.
- Safeguards for Greek farmers: import quotas, safeguard clauses, and maintenance of high EU standards.

4. NEXT STEPS

THE PROCESS IN BRIEF (EU side)

- Decision by the Council to sign
- Signature
- Parliamentary consent Decision by the Council to conclude
- Entry into force

THANK YOU

More information:

- EU-Mercosur Trade Agreement: <https://ec.europa.eu/trade/policy/in-focus/eu-mercosur-association-agreement/>



- EU Trade website: <http://ec.europa.eu/trade/>



- EU Trade on Twitter: https://twitter.com/Trade_EU



- EU Trade Newsletter: <http://ec.europa.eu/trade/trade-policy-and-you/publications/newsletters/>

- How to export **from** the EU: <http://madb.europa.eu/madb/indexPubli.htm>

- How to export **to** the EU: <http://trade.ec.europa.eu/tradehelp/>