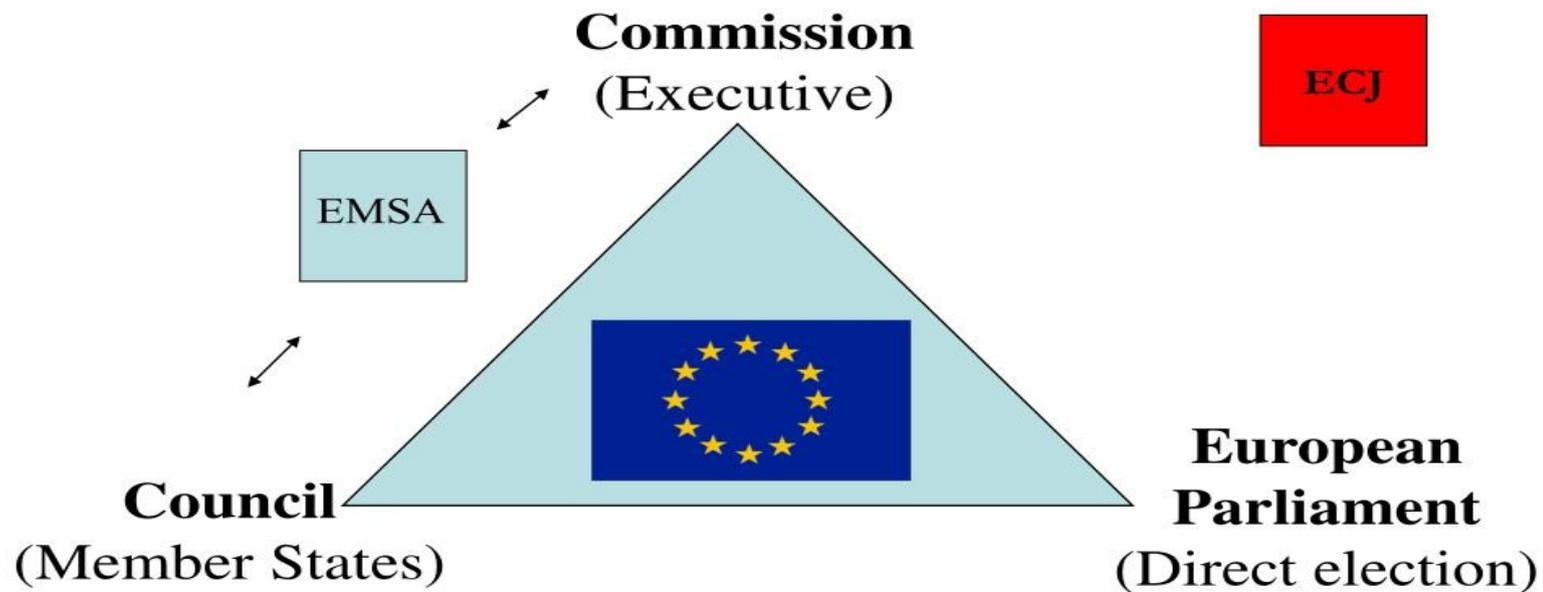


The EU – MERCOSUR agreement



Trade agreements are negotiated by the European Commission.

The EU "triangle of power"



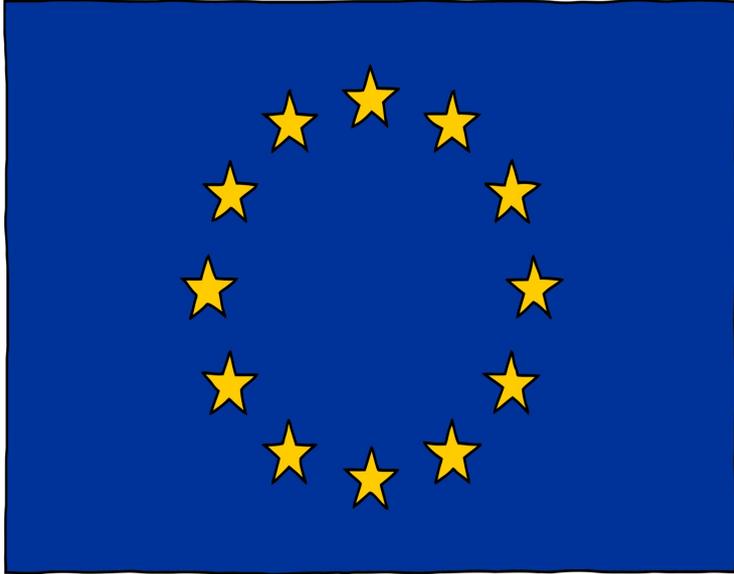


Ilustración: Aduana News

Argentina, Brazil,
Paraguay and Uruguay

Trade Agreement. Tariffs and Norms

Existing Tariffs on entry into MERCOSUR

- Cars – 35%;
- Clothing and textiles - 35%
- Leather shoes - 35%
- Spirits - 20-35%
- Wine - 27%
- Machinery – 14-20%
- Car parts: 14-18%
- Chemicals – up to 18%
- Pharmaceuticals - up to 14%

Existing Tariffs on entry into the EU

- On average, only 4-5%
- There are TRQs (Tariff Rate Quotas) allowing a certain volume at a certain tariff. For example, outside the quota for beef, the tariff is about 40%.
- Current quotas – 58,000 tonnes of beef. 170,000 tonnes of poultry
- Future quotas – 99,000 tonnes of beef and 180,000tonnes of poultry

Can it really work?

- Under the agreement, the EU and Mercosur agree to:
-
- protect labour rights;
- protect the environment, including fighting climate change and deforestation;
-
- promote corporate social responsibility;
- cooperate on animal welfare standards, biotechnology, food safety and the fight against antimicrobial resistance.
-

Timetable

- Negotiations started 25 years ago!
- Set to be applied in May 2026
- **Legal challenge** may delay the deal

Winners and Losers

- Winners
- South American agricultural exporters (beef, poultry, soy, sugar, ethanol)
- EU industrial exporters (Germany, France, Italy)
cars, machinery, chemicals, pharmaceuticals
- EU services and investment firms (banking, telecom, logistics, digital services)

Winners and Losers

- Losers
- EU farmers – especially beef and poultry
(France, Ireland, Poland)
- MERCOSUR manufacturing
(deindustrialisation)

Cars for Cows

- Politically explosive and nationally difficult.
- The real effect on French agriculture is limited in economic terms. The beef sector (50,000 farms) is already under severe pressure with very low margins. Beef – lower prices (-2%)
- French agricultural winners – wine, cheese, processed foods
- Probable result – political difficulty (protests), small beef farms close
- France will fight for CAP increased subsidies for beef farmers