Fact Sheet ELANBiz: Trade Agreements Brazil

Prepared by ELANBiz Trade Experts in Brazil, updated through 6 May 2019

General:

Brazil is a Member of the WTO and a party to several preferential trade agreements. Brazil’s participation in preferential trade agreements stems from the country’s membership in ALADI and Mercosur.

ALADI:

Brazil is a member state of the Latin American Integration Association (ALADI). ALADI includes an Agreement on Regional Tariff Preferences, pursuant to which ALADI members have a margin of preference that varies according to the members’ category. More information on ALADI is available here.

ALADI preferences are supplemented by specific preferences that an ALADI member, including Brazil, or a collection of members among themselves, may grant to one another. These agreements are normally called “Economic Complementation Agreements” (ACEs). The Economic Complementation Agreements between Brazil individually and another ALADI member are:

✓ Brazil - Uruguay (ACE-02)
✓ Brazil - Argentina (ACE-14)
✓ Brazil - Suriname (ACE-41)
✓ Brazil - Venezuela (ACE-69)
✓ Brazil - México (ACE-53)
✓ Brazil / Guyana / Saint Kitts and Nevis (AAP.A25TM 38)
Mercosur:

Brazil is a member state of the Southern Common Market (Mercosur). Mercosur is an imperfect customs union among Argentina, Brazil, Paraguay, and Uruguay. Venezuela acceded to Mercosur in 2006, but has been suspended since August 2017. Bolivia is currently in the accession process. More information about Mercosur is available here.

Mercosur tariff preferences have been negotiated under the ALADI framework through an Economic Complementation Agreement: ACE-18. In addition, Mercosur as a bloc has ACEs with several Latin American countries:

- **Mercosur (ACE-18)**
- **Mercosur - Chile (ACE-35)**
- **Mercosur - Bolivia (ACE-36)**
- **Mercosur - México (ACE-54)**
- **Automotive Mercosur - México (ACE-55)**
- **Mercosur - Peru (ACE-58)**
- **Mercosur - Colombia, Ecuador and Venezuela (ACE-59)**
- **Mercosur - Colombia (ACE-72)**
- **Mercosur - Cuba (ACE-62)**

Mercosur also has extra-regional preferential trade agreements with:

- **India**
- **Israel**
- **SACU**
- **Egypt**

In 2011, Mercosur concluded a preferential trade agreement with Palestine. However, internal approval of this agreement by Mercosur members is still pending.

The EU-Mercosur negotiations:

The European Union and Mercosur initiated FTA negotiations in 1999, but these negotiations were interrupted in 2004. Negotiations were relaunched in 2016. More information about the negotiations can be found here.
Other ongoing negotiations:

Brazil, together with other Mercosur members, is also pursuing negotiations on potential trade agreements with other countries. Officially, there are ongoing negotiations on potential agreements with EFTA, Canada, Singapore, Lebanon, and Tunisia. Mercosur and India are also discussing the expansion of the existing preferential trade agreement, and Mercosur and Mexico are discussing the expansion of ACE-54. More information on Mercosur’s ongoing negotiations may be found here.

Other links of interest:

Delegation of the European Union to Brazil
Exporting from the EU to Mercosur
Importing into the EU from Mercosur