



INFOCARD ELANBiz Trade Agreement EU-MERCOSUR¹

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This Infocard provides an overview of the agreement that is being negotiated between the Mercosur trade block, where Argentina is a member, and the European Union.

Why would be important for European firms a trade agreement with the Mercosur?

Mercosur represents a business opportunity for European SMEs: a large market of approximately 295 million people, in a territory of almost 15 million square kilometers. If it were a country it would be the 5th largest world economy². Its member states negotiate jointly their trade agreements with third countries or group of countries.

The European Union is the main trade partner of Mercosur, representing 21,8% of its foreign trade in 2016³. That year the EU exported to Mercosur goods worth 43.1 billion Euro .

Background of the negotiations

Since 1995 EU-Mercosur relations have been guided by the Framework Cooperation Agreement signed December 15th of that year, which became effective July 1st, 1999⁴.

The conversations for a free trade agreement (FTA) began in 1999. The FTA would be part of an Association Agreement that would include chapters related to cooperation, political collaboration and trade. The conversations were suspended in 2004. In 2010 the EU and Mercosur discussed the parameters to be followed by the offers of access to the two markets (the so called “2010 parameters”) as the basis for a successful future exchange.

The negotiation process was re-launched in May 2010 at the EU-LAC (EU- Latin America & Caribbean) in Madrid. The last formal round of negotiations took place in October 2012.

¹ Content information provided in this document, is of general nature only. For more detailed information, events and commercial trade offers as well as commercial business contacts, please contact the Commercial Offices on the member States, the European trade organizations and bilateral chambers of commerce.

² Source, website of the Mercosur www.mercosur.int/t_generic.jsp?contentid=3862,

³ Source,, European Commission, DG Trade, EU, Trade in Goods with Mercosur, November 2017

⁴ Mercosur countries (except Paraguay) are since January 2015 no longer beneficiaries of the generalized system of preferences (GSP), as they are now classified as middle-high income countries.



At the Mercosur Summit of July 2014 the presidents of the Mercosur countries announced that their joint offer was ready, although no details were provided.

Future perspectives

In June 2015 a ministerial meeting EU Mercosur took place. In their joint communiqué the parties confirmed their commitment to make the necessary efforts for a successful conclusion of the negotiations, in line with the conditions established in Madrid in 2010.

At the beginning of October 2015 a new meeting took place in Asunción, Paraguay, among the chief negotiators of Mercosur and the EU, who shared information on the respective offers.

A further round of negotiations for a free trade agreement between the Mercosur members Argentina, Brazil, Paraguay and Uruguay on the one side and the European Union on the other side took place from 3 to 7 July 2017 in Brussels, Belgium. The discussions focused on a wide variety of topics, including trade in goods, rules of origin, trade facilitation, technical barriers to trade, sanitary and phytosanitary measures, etc.

Both parties agreed to advance with the negotiations and a new round took place from 2 to 6 October 2017 in Brasilia, Brazil.

It is relevant to remark that only the original 4 members of Mercosur (Argentina, Brazil, Paraguay and Uruguay) participate in these negotiations with the European Union. Currently Venezuela is focusing in the process of its full integration to the block. Bolivia joined the Mercosur only in 2015.

Which products would benefit from this Agreement?

The Agreement EU-Mercosur would remove substantially all tariffs and non tariff barriers in the trade between the EU and Argentina and the other Mercosur countries involved.

The eventual trade agreement would include trade in industrial and agriculture goods, but also in services, investment protection, government procurement, intellectual property rights, sanitary and phytosanitary measures, and would facilitate customs and investment procedures.

Which tariffs would be applied to European goods?

If negotiations conclude successfully Tariffs for almost all trade (for at least 90% of all trade) would be eliminated. Most of the tariffs would be eliminated as the Agreement enters into force, while for a limited number of products the tariff reduction would proceed in stages.



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