

MERCOSUR – EU Agreement

August 2025

In essence the **European Union-Mercosur Agreement** deals with trade liberalization among the member countries of the two regional blocs involved in its negotiations. However, the agreement does include other provisions, such as chapters on political dialogue and cooperation among the parties.

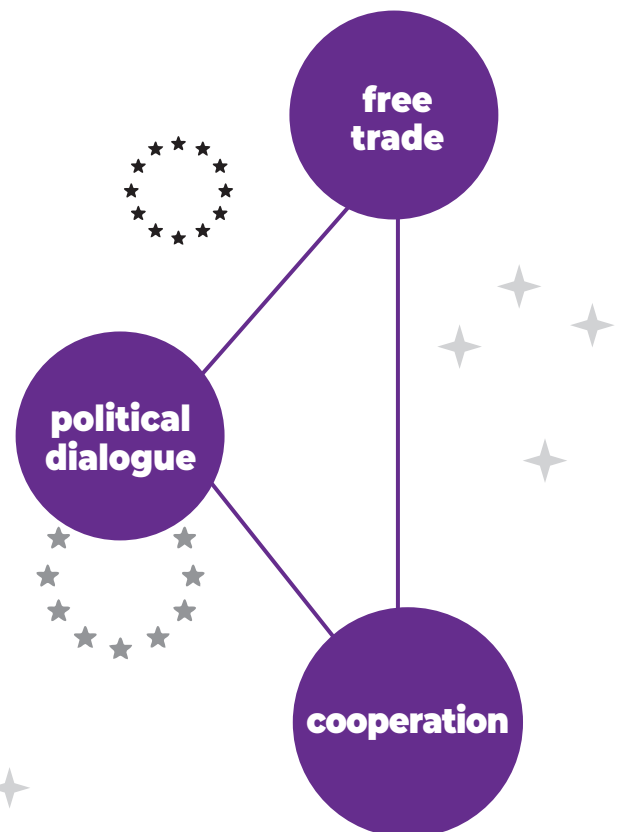
Member countries

The European Union and Mercosur are **regional economic blocs**.

The Southern Common Market (Mercosur) comprises **Argentina, Bolivia, Brazil, Paraguay and Uruguay** as full members, whereas all South American countries participate in the bloc as associate members.



The European Union, in turn, comprises **27 European countries including Germany, Spain, France, Poland, and Portugal**.



History

Negotiations between the two blocs started in **1995** through the agreement signed in Madrid (formally, the inter-regional Framework Cooperation Agreement). Around the same period, negotiations began for the establishment of a Free Trade Area of the Americas (FTAA), and the World Trade Organization (WTO) came into effect.

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Neocolonial agreement



The Brazilian civil society has a long tradition of resistance to the perverse effects of these liberalization treaties, as it understands that they establish an **unequal international division of trade** that prevents countries' development and worsen the life conditions of peoples.



This agreement has a neocolonial character, since it ascribes to Mercosur's countries the role of primary agricultural, mineral, and energy commodity producers. On its turn, the production of industrialized goods and provision of services with higher added value is ascribed to European Union countries.



Transparency and social participation

This agreement was negotiated behind closed doors, with no participation either by civil society or other international observers. The agreement's full text was published for free access only in English, with an extremely technical language, and is divided into chapters and annex. When the populations of signatory countries do not have the opportunity to state their opinions about the agreement's content, and the European Commission considers dividing its scope into political cooperation, on the one hand, and trade, on the other, to simplify the ratification process in the European Union, we are faced with a serious issue of transparency and respect to democracy.

Sensitive Issues



Agricultural commodities and oil:

The agreement encourages the expansion of agricultural and livestock production in the Mercosur, stimulating the de-industrialization of its countries and, consequently, the loss of jobs in the industrial sector, as well as the process of driving countries' economies back into primary economic sectors. The agreement's focus on agribusinesses restricts the possibilities of social and economic progress for small producers, Indigenous populations and other traditional communities.



Dispute settlement / resolution mechanisms:

This mechanism may be used to settle any dispute regarding the interpretation and application of parts of the agreement, or regarding an allegation by a party that a measure applied by another party either annuls or affects the benefits of the agreement. This may be used to challenge norms that parties perceive to be restrictive for, or impactful on their activities, including environmental norms such as the European regulation on deforestation-free products.



Critical minerals:

The reduction and elimination of import tariffs for minerals will bolster exports from Mercosur to Europe – a continent highly dependent on these minerals for its energy transition. Such a process will stimulate an increase in mining activities in Brazil, with serious environmental impacts for the soil and local communities because of extractive processes, in addition to risks related to poor planning and monitoring of dams, as occurred in the localities of Mariana and Brumadinho.

Chapter on Trade and Sustainable Development

This chapter reaffirms commitments to environmental protection and climate mitigation signed in several multilateral forums. The Paris Agreement is considered an essential element of the agreement between the blocs, but only as a bond of good faith. None of the elements related to the observance of international environmental norms is considered to have a binding effect. In case of non-compliance with the chapter's norms, the agreement states that consultations will be made and an experts' panel might be summoned to produce recommendations. Regarding failure to comply with obligations, or in case of violation of Paris Agreement provisions, the Mercosur-EU agreement determines its own suspension for a non-compliant party if a solution is not reached after consultation procedures are pursued.



Impacts on climate and environmental issues

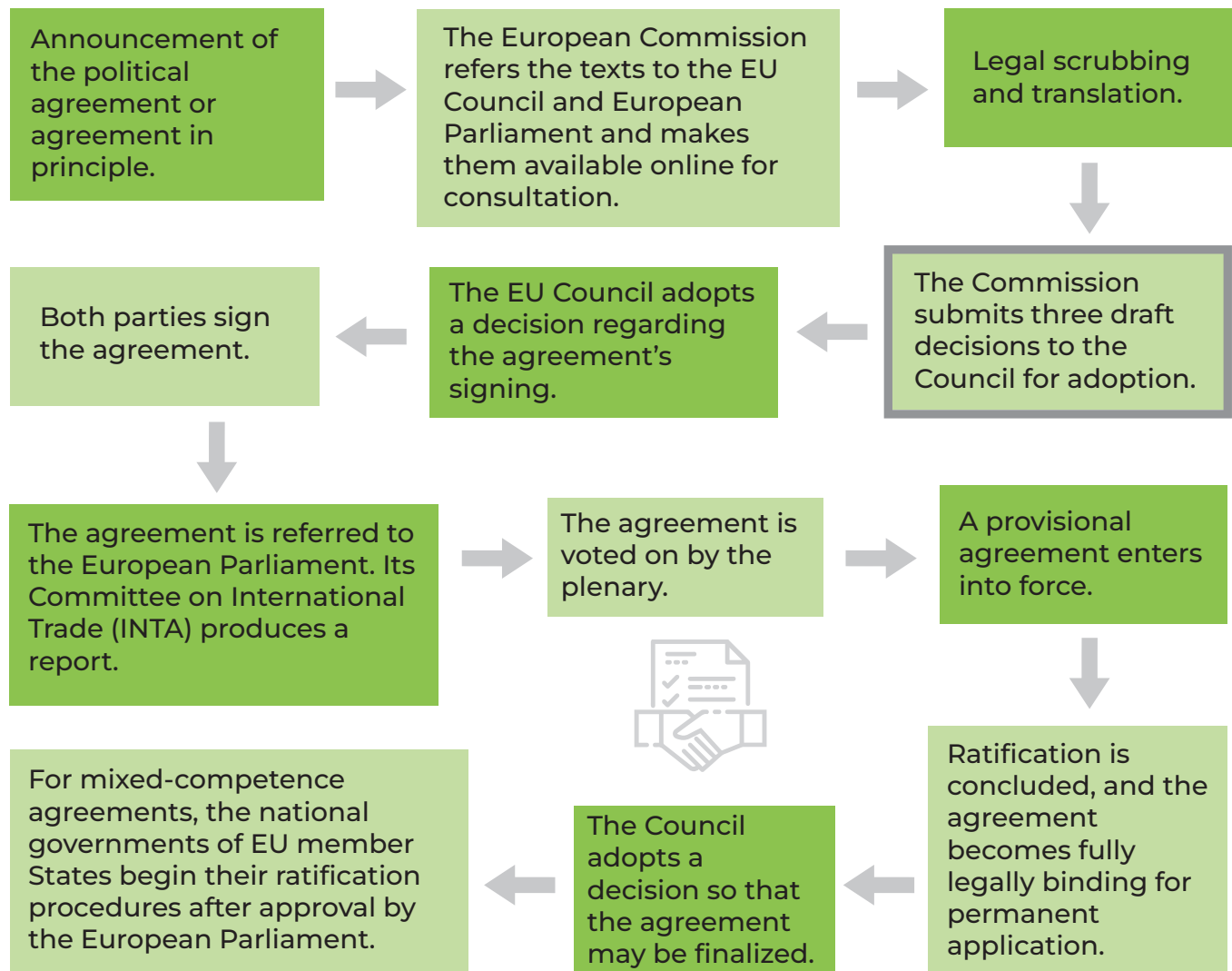


The upscaling of agricultural and livestock-rearing activities in Brazil will contribute to the increase in greenhouse gas emissions, since these activities will stimulate the expansion of agricultural frontiers and of areas used for livestock production – two of the strongest deforestation-drivers in the country. A push towards environmental devastation and the use of pesticides is expected, which will affect the health of workers and the quality of the soil and produce. These factors will prevent the fulfillment of environmental and climate commitments signed by Brazil in international forums such as the Paris Agreement.

Ratification process

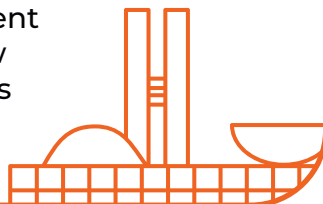


European Union



Brazil

The Presidency of the Republic is the entity responsible for Brazil's foreign policy, in coordination with its Ministry of Foreign Affairs. The domestic enactment of an international agreement takes place through its constitutional validation and subsequent submission as a bill ('law project') by the country's National Congress.



Mercosur

Since Mercosur is by nature a customs union, any commercial agreement related to it can only come into effect after all bloc members have approved it.



Brazilian civil society **says no to free trade!** For democracy, for the environment, for Indigenous peoples and traditional peoples and communities, for sovereignty and for workers, we cannot approve this agreement.