

## **EU-Mercosur good news for Europe and for global trade**

Speaking today after the conclusion of EU-Mercosur Trade agreement EuroCommerce Director-General Christian Verschueren said:

*“After twenty years of negotiation, we are very happy to see the free trade agreement with Mercosur finally concluded. It is a sign to those who are seeking to return to the law of the jungle in trade, or to write off the liberal economic and social order globally, that 780 million people on both sides of the Atlantic are committed to free trade and the prosperity it brings. I am also very pleased to see Mercosur governments commit to effective implementation of the Paris climate agreement and to a detailed chapter on sustainable development, including on deforestation”.*

Mercosur is the world’s 7th largest economy and 5th largest market outside the EU with an annual GDP of €2.2 trillion. The EU exported goods to the four Mercosur countries totaling €45 billion, and imported goods from Mercosur worth €42.6 billion in 2018. The EU exported €23 billion worth of services to Mercosur while Mercosur exported services worth €11 billion to the EU.

The agreement is the largest ever concluded by the EU. It will eliminate prohibitive tariffs which have held back exports and imports between the two markets, saving EU exporters €4 billion annually. Tariffs on products such clothing and shoes are at present 35%, and effectively stifle trade altogether. These and many others will be eliminated. Although some farming interests have been worried by the prospect of increased imports of primary products, very high tariffs on premium dairy products, spirits, wines and other grocery products will be eliminated or at least significantly reduced.

Reduced tariffs, much simpler customs procedures and more closely-aligned technical standards will make it easier for our sector to help EU producers sell their products in Mercosur countries, and the agreement extends protection to 357 European geographical indications for high-quality EU foods.

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*EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.*