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Answer given by Executive Vice-President Dombrovskis
on behalf of the European Commission
(27.11.2024)

As for all major trade negotiations, the Commission requested a Sustainable Impact Assessment¹ – an independent report that assesses the economic, social, environmental and human rights impacts of the agreement. According to the report, the agreement will have a positive impact on the economies of both the EU and the Mercosur countries, raising wages and contributing to a reduction in inequalities. At the same time, the impact on sensitive agri-food sectors in the EU would be limited.

The EU agri-food sector is very competitive on the global stage. The EU-Mercosur agreement has the potential to create new opportunities for European producers, with increased exports of high value-added products, such as dairy and wines. The agreement will also contribute to secure the availability of valuable inputs for the EU agri-food, thereby improving our food sovereignty.

For sensitive EU agriculture products, the EU negotiated limited concessions in the form of tariff rate quotas that represent a small fraction of EU consumption. These partial openings will be introduced in stages to allow the sectors to adjust. They will be coupled with safeguard clauses to protect the EU market in case of serious injury caused by Mercosur imports. The Commission believes that these mechanisms will ensure that there will not be market imbalances in sensitive sectors. Should these nevertheless materialise, the Commission stands ready to intervene; experience of recent years has shown that the Commission has the necessary policy tools to do so effectively, when the situation so requires.

In addition, the agreement contains a chapter on competition policy, which bounds the parties to maintain level playing field for companies on both sides.

¹ Sustainability Impact Assessments: https://policy.trade.ec.europa.eu/analysis-and-assessment/sustainability-impact-assessments_en