

EN

E-002445/2025

Answer given by Mr Šefčovič
on behalf of the European Commission
(18.8.2025)

The country-risk classification in the EU Deforestation Regulation¹ (EUDR) is based on an objective and transparent assessment of quantitative criteria, taking into account the latest scientific evidence and data from internationally recognised sources. Article 29 (4)(b) of the EUDR allows for the possibility of taking into account in the EUDR country risk assessment, among other criteria, agreements between the countries concerned and the EU. The Annex² to the Trade and Sustainable Development chapter of the EU-Mercosur Agreement reflects that possibility. However, these provisions are not relevant as long as the agreement is not in force. The Commission will review the risk classification for all countries in 2026 to incorporate updated forest data from the United Nations Food and Agriculture Organisation, expected to be released in October 2025.

As the agreement has not entered into application yet, it is premature to speculate on whether Argentina could challenge the country risk assessment through a non-violation complaint (under the so-called rebalancing mechanism) or on the Commission's potential line of defence.

If it were to do so, it would need to convince a panel *inter-alia* that the EU measure nullifies or substantially impairs a benefit accruing to Argentina under the agreement and that it had a legitimate expectation to be classified in the low-risk category.

¹ Regulation (EU) 2023/1115 of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation, ELI: <https://data.europa.eu/eli/reg/2023/1115/oj>.

² https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/mercosur/eu-mercosur-agreement/text-agreement_en.