

JOINT STATEMENT ON EU-MERCOSUR

We are the leading cross-sectoral business organisations in Europe representing millions of companies, both big and small.

In the current geopolitical landscape, it is more important than ever that the European Union reinforces its role as a reliable and outward-looking partner. European companies are increasingly exposed to pressures from China's assertive trade policies and U.S. tariffs. Implementing the much-needed diversification strategy is therefore key to providing companies, particularly SMEs, with what they increasingly need today; **predictability and new opportunities, while also safeguarding jobs and European competitiveness.**

Against this backdrop, finalising the agreement with Mercosur, a region of like-minded partners, has become strategically important. Since this agreement would mark the first major opening of Mercosur to a major trading partner, the EU would benefit from a first-mover advantage, gaining **privileged access to a market of 270 million consumers**. Crucially, the aim is not only to gain new market shares but also to prevent the erosion of Europe's long-established position in the region, particularly to China, which has been Mercosur's largest trading partner since 2017.

It will provide companies in many sectors, including agrifood, with improved market access and simplified compliance processes. It will also help them compete more effectively. These benefits are essential at a time when our companies are disproportionately exposed to growing geopolitical pressures.

Additionally, Mercosur offers abundant critical raw materials and renewable energy potential, both of which are essential for Europe's green and digital transitions. The agreement will therefore help **diversify Europe's supply chains and reinforce its strategic autonomy.**

At a moment of growing protectionism and rising risks of global fragmentation, concluding this agreement would send a strong and necessary signal that the EU remains open, engaged, and committed to multilateralism and rules-based trade. Conversely, failing to adopt a deal negotiated for over 25 years would represent not only an economic loss, but a significant blow to the EU's credibility as a reliable partner.

Now is the time to seize this opportunity and finalise the long-negotiated EU-Mercosur agreement.

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