

EU–Mercosur Free Trade Deal: A Landmark Agreement After 25 Years

The European Union and the South American Mercosur bloc have signed a historic free trade agreement in Paraguay, marking the EU's largest trade pact to date after more than 25 years of negotiations. Once ratified by the European Parliament and the legislatures of Argentina, Brazil, Paraguay and Uruguay, the deal will lower tariffs and significantly boost trade between the two regions. Together, the blocs represent a market of around 700 million people, with bilateral trade already worth €111 billion in 2024.

European Commission President Ursula von der Leyen described the agreement as a strong global signal in favour of fair trade and long-term cooperation, amid rising protectionism. However, the deal has faced opposition from farmer and environmental groups, who fear increased competition from South American agricultural imports and higher deforestation risks.

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