

## MERCOSUR and EU in process of negotiating a trade agreement to exempt import duty for certain types of agricultural products in two years.

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The Ministry of Foreign Affairs of Argentina reveals one of the main benefits that will arise from the trade agreement, that is currently being under the process of establishment, between the MERCOSUR countries, comprising Argentina, Brazil, Paraguay and Uruguay, and the European Union (EU), which is the immediate import tariff exemption on 76% of products that the EU imports from the MERCOSUR countries, such as soybeans, meat, fish and fruits, after the agreement comes into force. Then, the measure will cover the remaining products within 4 years, 7 years and 10 years. The agreement is expected to be completed and effective within a year and a half to two years.

The official of the Ministry said to the Clarín news agency that more than three-fourths (76%) of the products that the EU imports from the MERCOSUR countries will be exempted from import tariff immediately after the trade agreement between the two unions is enforced. And it will cover the remaining products within the period of 4 years, 7 years and 10 years after that. On the other hand, only 13% of the products that the MERCOSUR countries import from the EU will be immediately exempted from the tariff, and the remaining products will be included within the period of 4 years, 8 years, 10 years and 15 years. It is expected that such measure will be able to cover 60% of the products coming from the European Union within 10 to 15 years after that the agreement is effective.

However, the diplomatic mission from the EU commented that some products may be exempt from import tariff within the next year, before the approval of the agreement by the Council of both parties. Some special privileges are expected to be approved within the next 6 to 7 months and it will take about 18 months to two years that the entire agreement will be approved.

The EU is the second largest importer of the world (worth over 2 billion Euros) with the proportion of 17% of the global imports, that is about to allow the exemption of import tariff on a total of 92% of imported products from the MERCOSUR countries and the Preferential Access on 7.5% of such products, leaving only 1% that will not be covered by any measure. On the other hand, MERCOSUR will exempt the tariff on 91% of the products coming from the EU, except 9% of the products which are considered sensitive that will not be covered.

Source: <https://www.noticiasagropecuarias.com/2019/07/04/come-pescados-y-frutas-podran-exportarse-a-europa-con-arancel-cero/>

Thailand Office of Agricultural Affairs, Los Angeles

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