

**Voluntary Report** – Voluntary - Public Distribution

**Date:** September 19, 2025

**Report Number:** E42025-0004

**Report Name:** European Commission Proposes EU Trade Agreements with Mexico and Mercosur for Adoption

**Country:** European Union

**Post:** Brussels USEU

**Report Category:** Country/Regional FTA's, Trade Policy Incident Report, Trade Policy Monitoring, Third Country Influence

**Prepared By:** Sophie Bolla

**Approved By:** Tyler Babcock

**Report Highlights:**

On September 3, 2025, the European Commission sent its proposals to the Council and the European Parliament for approval of the EU trade agreements with Mexico and Mercosur. This starts the legal process for EU ratification of these agreements.

On September 3, the [European Commission presented trade agreements with the Mercosur country group \(Brazil, Argentina, Paraguay, and Uruguay\) and Mexico for approval by the Council and European Parliament](#). The Commission stated the EU-Mercosur Partnership Agreement (EMPA), along with modernization of an existing EU-Mexico agreement (MGA), would help diversify EU trading partners in response to rising U.S. tariffs.

The Commission claims the EMPA will create the world's biggest free trade zone, covering a market of over 700 million consumers and removing duties for 91 percent of EU exports. The EU will remove duties on 92 percent of Mercosur exports over a period of up to 10 years, and allow preferential quotas for poultry, pork, and other products. Both the Mercosur and Mexico deals reportedly contain recognition of hundreds of geographic indications (344 in EMPA; 568 in MGA) for products such as Parmigiano Reggiano cheese, which can cause trade barriers for U.S. producers using common names for their products.

Both agreements are considered “mixed” agreements that will require ratification both at the EU and Member State level. (Note: Agreements strictly focused on trade require only the approval of the EU institutions. “Mixed” agreements that include other non-trade provisions require ratification by all Member State parliaments, which can take years. End note.) The Commission can provisionally implement the trade-specific components of a mixed agreement, such as tariff elimination, geographical indications, and tariff rate quotas (TRs), as a “interim-free trade agreement,” if approved to do so by the European Council and Parliament, while allowing the broader agreement to go through the ratification process in the Member States.

### **EU-Mercosur Partnership Agreement**

The Commission expects EU agri-food exports to Mercosur to grow by almost 50 percent, as the deal reduces high tariffs on key EU agri-food products, notably wine and spirits, chocolate, and olive oil. In 2024, the EU exported USD \$3.8 billion worth of agricultural products to Mercosur countries. By comparison, the EU exported USD \$41 billion worth of agricultural products to the United States.

Some Member States, led by France, and EU sectors, such as beef and ethanol, have expressed concerns the agreement will lead to unfair competition due to diverging sustainability and SPS requirements between Mercosur and the EU. To appease their concerns, the Commission announced a dedicated legal act that will operationalize the bilateral safeguards chapter of the EMPA. For the Commission, this provides “full and comprehensive protection for all EU sensitivities in the agricultural sector.” Part of these safeguard measures include the launch of investigations when imports increase by at least 10 percent and import prices are at least 10 percent lower than domestic prices.

Reacting to the publication of the Mercosur proposal, nine EU trade associations, including Copa-Cogeca, representing EU farmers, published a [joint statement](#) taking note of the Commissions’ proposals. On the new safeguard mechanism, the trade associations note that while this initiative clarifies certain aspects of safeguard implementation, critical questions remain over how such a

unilateral legal act would be voted on, enforced, and accepted by Mercosur countries as a binding commitment by the Commission. They add that EU agriculture continues to be treated as a bargaining chip in trade negotiations and noted that the same pattern risks being repeated in ongoing trade talks with other third countries.

EMPA negotiations were launched in June 1999. Following a suspension of talks, negotiations restarted in 2010. The EU and Mercosur countries concluded the negotiations in 2019 following new offers to cut tariffs. Finally, on 6 December 2024, the EU and Mercosur reached a political agreement.

**EU-Mexico Modernized Global Agreement**

*For more information about the agreement please see GAIN Report: [EU and Mexico Finalize Modernized Free Trade Agreement](#).*

The agreement between the EU and Mexico is less controversial for the EU agriculture sector as Mexico is a net food importing country and the agreement should benefit EU agriculture exporters. The Commission expects EU agri-food exports to Mexico to be more competitive, as the deal reduces high tariffs on key EU agri-food products, notably cheese, poultry, pork, pasta, apples, jams as well as chocolate and wine. In 2024, the EU exported USD \$4.9 billion worth of agricultural products to Mexico. By comparison, the EU exported USD \$41 billion worth of agricultural products to the United States.

**Table 1: MGA will remove many tariffs on EU agri-food exports to Mexico, such as cheese, poultry, pork, pasta, apples, jams as well as chocolate and wine.**

EU product	Current Mexican duty rate	Volume of 0% tariff-rate quota for EU products
Milk powder	Up to 50%	50 000 tons
Other Cheeses	Up to 45%	20 000 tons
Dairy preparations	Up to 45%	13 000 tons
Fresh and processed cheeses	Up to 45%	5 000 tons
Butter	20%	2 500 tons
Beef	20%	30 000 tons
Poultry legs	100%	20 000 tons
Pork loin	Up to 45%	13 000 tons

Source: European Commission

The agreement also ensures the protection of 568 European Geographical Indications (GIs) in Mexico, along with provisions for the protection of Mexican GIs such as tequila. Additionally, the agreement

outlines several exceptions to the protection of Geographical Indications (GIs) for both European and Mexican products, which include a grandfathering rule that allows prior users of certain terms to continue their use under specific conditions. For example:

- ‘Feta’: prior users may use "feta" for up to 8 years, with a visible indication of the product’s geographical origin.
- ‘Parmigiano Reggiano’: The protection of the geographical indication “Parmigiano Reggiano” shall not prevent users having used the term “parmesano” in good faith before the conclusion in principle of this agreement, to continue using that term, provided these products are not commercialized using references (graphic, names, pictures, flags) to the genuine origin of “Parmigiano Reggiano” and are differentiated from “Parmigiano Reggiano” in a non-ambiguous manner as regards the origin.

**Attachments:**

[Factsheet EU-Mercosur - Agriculture.pdf.pdf](#)

[Factsheet EU-Mexico - Agriculture.pdf.pdf](#)

[Commission proposes Mercosur and Mexico agreements for adoption.pdf](#)