

EU-MERCOSUR FREE TRADE AGREEMENT

The EU automotive industry calls on decision-makers to support the ratification of the EU-Mercosur Free Trade Agreement. As global competition intensifies and supply chains come under pressure, this deal offers a timely opportunity to boost our sector's competitiveness, secure vital export markets, and strengthen Europe's resilience in the green transition.

FREE TRADE DRIVES THE EU AUTO INDUSTRY'S COMPETITIVENESS



Over 30% of the vehicles produced in the EU – **that's nearly 1 in every 3 autos** – are sold on international markets.

With €100 billion

every year in trade surplus, our sector is one of the main drivers of economic prosperity in the EU.



Free, open, and rules-based trade

is more important than ever as EU automakers are under tremendous pressure from US tariffs, supply chain disruptions, and fierce global competition.

MERCOSUR: A MARKET OF UNTAPPED POTENTIAL

Up to 35%

of tariffs on EU-made vehicles will be eliminated by the deal – unlocking access to a market of over three million vehicles annually.



Ratifying the deal will grant European automakers with a **competitive advantage** in the Mercosur bloc before players from the other global regions can negotiate similar access.

Up to 200%

By 2040, the agreement will increase exports of EU automotive goods to the Mercosur bloc by **200%**.



BOOSTING THE EU'S ECONOMIC SECURITY



Trade partnerships are vital

to reduce dependencies and enhance the resilience of supply chains against external shocks in times of geopolitical fragmentation.

The agreement will strengthen EU access to critical raw materials essential for EVs – including lithium, graphite, and manganese – with Brazil also playing a key role as a major supplier of niobium, beryllium, and gallium.

THE EU MUST NOT BE A NAIVE GLOBAL PLAYER

With legally binding commitments to stop deforestation and placing the Paris Climate Agreement as an “essential element”, **the deal is far more ambitious** than those international partnerships pursued by other global trading actors.

Concerns on the potential negative impact of the agreement on certain sectors should be addressed by sectorial measures and unilateral EU policy instruments instead of stopping a deal which is broadly in the Union interest.

