



Free Trade

5 things the EU Commission doesn't want you to know about the EU-Mercosur Deal

When the EU-Mercosur deal was announced, President Ursula von der Leyen wasted no time launching her PR campaign calling it a “win-win agreement” claiming that the many concerns relating to the agricultural and climate impact of the agreement had been addressed.

But if we look at the fine print of the final text, the picture is very different. Let's cut through the political rhetoric and take a look at what the EU Commission doesn't want you to know about the EU-Mercosur free trade agreement.

1 **EU-MERCOSUR WON'T BENEFIT WORKING PEOPLE** Free trade deals that prioritise corporate profit over people and planet are a false economy.

We have been told that the people of the EU, Argentina, Brazil, Paraguay and Uruguay will benefit from this free trade agreement. That may be true for a handful of CEOs and multinational companies but make no mistake, this agreement will come at the expense of farmers, indigenous people and workers.

The deal's lack of a “mirror clause” — ensuring Mercosur's production standards match those of the EU — ensures that industrial farms in Mercosur countries can use pesticides, antibiotics, and hormones banned in Europe. Thanks to the deal, these products will be subject to less stringent inspection, running the risk of allowing harmful products to enter EU markets, undermining public health safeguards.

Workers in both regions will suffer. European farmers and food workers face job losses due to cheap imports, while labour conditions in Mercosur's agribusiness sector remain exploitative, with minimal protections for wages, safety, or unionisation.

2 THE EU-MERCOSUR AGREEMENT IS DEVASTATING FOR FARMERS

Agreement is a race to the bottom for those already struggling to make a livelihood from the land

This trade deal is a “cars-for-cows” agreement, favouring multinationals over small farmers and sustainable practices. The EU-Mercosur agreement maintains the same quotas for the import of agricultural products as agreed five years ago. Beef exports from South America under the EU-Mercosur deal will receive an additional quota of 99 000 tonnes subject to favourable tariffs. While 180 000 tonnes of poultry meat, 25 000 tonnes of pork meat, 190 000 tonnes of sugar and 650 000 tonnes of bioethanol will be allowed into the EU market tariff-free. This is not a win for European farmers.

The mass import of food products from Mercosur countries will add to the existing pressures for farmers, caught between large supermarket chains and big agribusinesses.

The Commission announced that it will establish a €1 billion fund to compensate farmers who have been adversely affected by the impact of EU-Mercosur deal. However, in every country in Europe people working the land will tell you: farmers don't want compensation, they want a fair price for their labour.

3 THE EU-MERCOSUR AGREEMENT ACCELERATES CLIMATE BREAKDOWN

Weak commitments on climate action are nothing but greenwashing

The EU-Mercosur agreement opens the door to another massive market for products from the deforested areas of the Amazon and the Cerrado tropical savannah. The Amazon is already at a breaking point, with deforestation soaring and wildfires setting new records. Yet the agreement includes a weak commitment to “enhance efforts to stabilise or increase forest cover from 2030” a deadline that's both too late and unenforceable. We can't wait until 2030 to act. In 2024 alone, forest fires in Brazil devoured 11 million hectares, a shocking 116% rise from 2023.

The Commission claims that the EU Deforestation Regulation ensures that “no commodities associated with deforestation are placed on the EU market”. However, the EU-Mercosur deal will boost trade in commodities not covered by the regulation. For instance, in 2023, deforestation in Brazil's Cerrado savanna jumped by almost 45% and this deal could lead to a further increase.

This deal pays lip service to the Paris Climate Agreement, humanity's last hope to stop climate catastrophe. Yet, despite the European Commissions' claims that the deal can be suspended if there is a breach of the Paris Agreement, this is actually not in the text itself which only refers to countries who stay part of the Paris Agreement in good faith.

In the end, while the agreement contains new wording on climate commitments, it fails to include any measures that will help us to achieve them. Meanwhile the trade implications of the deals will mean more deforestation, more monoculture, and more climate breakdown.

4 THE EU-MERCOSUR DEAL IS ANTI-DEMOCRATIC

Subtle changes in language indicate a hidden agenda to bypass national parliaments

Conscious of the growing opposition to the EU-Mercosur free trade agreement among farming communities, climate activists, and workers, the European Commission has done its best to bypass national parliaments in order to get this deal across the finish line.

President von der Leyen knows that she faces stiff resistance from national governments across Europe, and so national and European parliamentarians have been kept deliberately in the dark. And now, subtle changes to the language of the agreement indicate that the European Commission is set on undermining national democracies to get the deal done.

After referring to this deal as an ‘Association Agreement’ for 25 years, last Friday, it was suddenly presented as a “Partnership Agreement”. Why? An Association Agreement requires unanimity among EU Member States in addition to ratification in national parliaments. This is an important safeguard for European democracies to have a say on trade deals that have a direct impact on their economies.

A ‘Partnership Agreement’ on the other hand indicates a change of rules for the ratification of the deal, which may allow it to pass with just a qualified majority in the Council. This is a kick in the teeth for national parliaments and a blatant evasion of the democratic process.

The European Commission doesn't have the support of the people, and they know it.

5 THE LEFT IS LEADING THE CHARGE AGAINST THE EU-MERCOSUR AGREEMENT

Free trade deals like this come at a real human and environmental cost, and this has been recognised by the farmers' organisations, trade unions, and over 400 civil society organisations on both sides of the Atlantic who have campaigned tirelessly against the EU-Mercosur free trade agreement. This is why The Left is leading the charge in Europe against this deal.

When the Mercosur negotiations began in 1999, globalisation was at its peak. Now that the negative impacts of globalisation cannot be contested, the European Commission has signed off on a deal that follows the same logic of 25 years ago. A logic that has hollowed out Europe's industries, impoverished farmers worldwide, and devastated our planet for profit.

The Left will continue the fight for a transformative new approach to trade policy centred on workers' rights, equality, sustainability and solidarity.

1- COMMITMENTS TO EFFECTIVELY IMPLEMENT THE PARIS CLIMATE AGREEMENT ARE EXAGGERATED.

Rhetoric: The Commission [argues](#) that “a party can suspend the agreement if it considers that there is a serious breach of the Paris Agreement”.

Reality: According to the [texts](#) (Art 2 and 3), the only sanctionable commitment to Paris is to stay a member of the treaty in good faith. While this might deter Argentina under Milei from leaving the UN agreement, it will do nothing to force him to fulfill his commitments. This is a much lower commitment than what was agreed in a treaty like the EU-New Zealand Free Trade Agreement, where parties committed to sanctions in case of “actions or omissions which materially defeat the object and purpose of the Paris Agreement”.

2- THE COMMITMENTS ON DEFORESTATION ARE WEAK AND UNENFORCEABLE

Rhetoric: The Commission [claims](#) that it has achieved “a binding commitment to combat illegal logging and to tackle deforestation”. This is not true.

Reality: The texts of the [Annex](#) on sustainability show that the commitments towards stopping deforestation are weak and unenforceable. The Parties only commit to implement the measures to prevent deforestation that are already enshrined in laws and regulations that are in force in those countries. So, that means that there are no new commitments beyond what countries have already agreed to do. Furthermore, governments only agree to stop deforestation six years from now, while the Amazon continues to burn. Even these weak commitments are not enforceable. No party can initiate a dispute under the fully-fledged dispute settlement chapter that could result in sanctions. Instead, the only recourse governments have if someone violates their own deforestation laws to initiate a process of “consultations” which could lead to “an independent panel of experts” that makes non-binding recommendations.

3- THE AGREEMENT INCLUDES A MECHANISM THAT COULD CREATE REGULATORY CHILL ON FUTURE ENVIRONMENTAL LEGISLATION.

Rhetoric: The Commission [claims](#) this mechanism does not undermine the parties’ right to regulate. But it creates the wrong incentives.

Reality: This mechanism is dangerous as it has the potential to deter governments from implementing environmental measures in the future. If a government fears that new legislation could cause it to lose tariff access, it might consider it is not worth the cost.

4- DESPITE DENYING IT, THE COMMISSION ALREADY DECIDED TO SPLIT THE AGREEMENT AND BYPASS NATIONAL PARLIAMENTS

Rhetoric: The Commission claims that they still have not decided whether they will propose to split the agreement to simplify the ratification process or not. The Uruguayan government says otherwise.

Reality: The European Commission is determined to split the agreement and circumvent national parliaments. After labelling this treaty an Association Agreement for 25 years, it was suddenly rebranded as a “Partnership Agreement” last Friday during the announcement. An Association Agreement is associated with a mixed agreement would typically require unanimous approval in the Council and ratification by all national parliaments. By changing the terminology, the Commission is paving the way to alter the legal structure for ratification. Furthermore, it seems the EU did not inform the Uruguayan government that it should not reveal the legal architecture. [According to the Uruguayan government](#), there will be an interim free-trade agreement which is the terminology in case of a split text.