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European Services Forum warmly welcomes the adoption of the EU-Mercosur Trade Agreement by the EU Council

The European Services Forum (ESF), representing the interests of the European service sectors in international trade and investment negotiations, warmly welcomes the adoption of the EU-Mercosur Partnership Agreement and of the EU-Mercosur interim Trade Agreement by the European Council today.

“In times of growing protectionism, the European Union is showing to the world that open trade remains a priority with liked-minded partners” says ESF Managing Director Pascal Kerneis. “As a first mover in the Mercosur market, this deal will increase opportunities for European businesses in every sector of the economy and will contribute to the much-needed diversification of supply chains”.

The removal of trade barriers would enable greater market access, facilitate a steady flow of goods and services and improve foreign direct investment between the parties. Bilateral trade in services between the EU and MERCOSUR is already €42.6 billion in 2023, and the agreement will undoubtedly allow an increase, as experience shows that when trade in goods grows, trade in services also follows (transportation, financial services, professional services, digital services, etc.). EU exports of services to Mercosur represent already 34% of total EU exports. The EU accounts for a quarter of total Mercosur trade in services, with EU exports to the region amounting to €29 billion in 2023. The EU is already a major investor in MERCOSUR (+€380 billion of outward FDI stocks in 2022 – 65% of which are from Services sectors) and the agreement will encourage even more investment in a more legally secured business environment.

The European Services Forum now urges the EU Parliament to swiftly ratify the agreement to allow an early implementation.

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