How can the Mercosur agreement affect Andalusia?

After almost two decades of negotiations, the largest trade agreement reached by the European Union (EU) with the Mercosur countries (Argentina, Brazil, Uruguay and Paraguay) was closed in June, although the approval of the member states is still to be approved and the European Parliament. In the opinion of ES Andalucía, this agreement presents significant threats to European farmers and ranchers. In fact, more than 340 social organizations, some seventy MEPs and the main agricultural entities have approached the European Commission to warn that it will affect the foundations of European life in the next generations.

The agreement will allow European companies to suddenly abolish around € 4,000 million in tariffs, a measure that will mainly benefit the automobile industry, as it will allow it to boost its exports, mainly in exchange for the arrival in Europe of agricultural and livestock products from Mercosur countries. The value of European agri-food exports to Mercosur countries reaches only an average of 4% of the total products exported to this market. However, **Mercosur's agri-food imports to the EU represent 46% of total imported products.**

Analyzing the exchanges in food and beverages, we observe that the EU exported products worth € 2,299 million to Mercosur countries in 2018, 19% more than in the last five years, occupying the top positions Portugal (€ 415 million), The Netherlands (€ 321 million), Spain (€ 292 million), Italy (€

266 million) and Germany (€ 256 million).

However, Mercosur's agri-food imports to the EU are eight times higher, reaching a value of € 18,400 in 2018, that is, the trade balance of EU food and beverage products to Mercosur is negative by more than 16,170 M €. The main European countries receiving these imports in 2018 were the Netherlands (€ 3,990 M), Spain (€ 2,910 M), Germany (€ 2,320 M) and Italy (with € 1,895 M).

> In the case of Andalusia, the value of agri-food exports to Mercosur countries represents around 23% of the total products sold in this market, while food and beverage imports from Mercosur countries to Andalusia represent 47% of the Total products from this market.

Andalusian exports of food and beverage products to Mercosur in 2018 reached a value of 76.6 M € (20% more than five years ago), being our main buyer Brazil (61.6 M €), with 87% of this agri-food market, followed by Argentina, with € 4.3M; Paraguay, with € 2.6M, and Uruguay, with € 2M. The main Andalusian products sold to these countries in 2018 were olive oil (€ 30.7 M), extracts for drinks (€ 8.1 M), oranges (€ 4 M), garlic (€ 3.8 M), almonds (€ 3m), flour (€ 2m) and olives (€ 1.75m).

Imports of food and beverage products from the Mercosur countries to Andalusia were five times higher until 2018 reaching a value of € 386 M (8% more than 5 years ago), being our main Argentine supplier country with 62% of Agrifood sales to our region (€ 239 million), followed by Brazil (€ 124 million), Paraguay (€ 21 million) and Uruguay (with € 1.5 million). The main agri-food products of the Mercosur countries sold to Andalusia in 2018 were; cakes and by-products of soy (€ 190 M), corn (€ 44.9 M), soybean oil (€ 20.7 M), plant materials for animal feed (€ 10.9 M), white wine (9.2 € M), husked rice (€ 8.7 million) or mangoes (€ 8 million).

As can be seen, the trade balances of agri-food products are clearly favorable to the countries belonging to Mercosur, hence the importance of the impact of this agreement with regard to the defense of the agrifood model, both at European, national and national level. Andalusian, mainly in terms of food security and economic and social sustainability of our municipalities and the generational relief. An agreement that will bring significant savings to European automobile, aeronautical and pharmaceutical companies to the detriment of our producing sector.

Therefore, ES Andalucía will be used in depth in the coming months of technical negotiations to transmit to all administrations the need to defend our primary sector, before final approval in the Council and the European Parliament, as well as in the different member states , agreeing support and compensation measures and establishing exceptions and development and investment plans to support a strategic sector of the Andalusian economy.

Value of exports and imports of the Andalusian provinces with Mercosur (€ M).

Andalusian exports to Mercosur countries (M€)	2010	2011	2012	2013	2014	2015	2016	2017	2018	promedio 2010-18	%
ALMERIA	0,28	0,21	0,34	0,35	0,48	0,59	1,06	7,65	5,30	1,81	3%
CADIZ	0,52	1,28	0,45	0,40	0,46	0,44	0,61	0,73	0,64	0,61	1%
CORDOBA	9,97	10,40	17,37	14,76	15,40	12,66	18,77	14,18	11,15	13,85	21%
GRANADA	7,61	12,75	9,88	5,66	4,25	6,56	11,92	9,21	9,85	8,63	13%
HUELVA	0,59	0,41	0,00	1,14	0,32	0,80	1,51	3,00	2,39	1,13	2%
JAEN	2,23	4,87	4,60	2,53	1,19	0,47	0,50	0,95	0,36	1,97	3%
MALAGA	1,90	4,48	5,80	7,72	4,30	3,69	3,41	3,24	2,55	4,12	6%
SEVILLA	22,49	22,49	30,81	26,16	46,67	47,81	37,64	28,75	38,45	33,47	51%
ANDALUCIA	45,59	56,89	69,25	58,71	73,09	73,02	75,43	67,69	70,69	65,60	100%

Andalusian imports from Mercosur countries (M€)	2010	2011	2012	2013	2014	2015	2016	2017	2018	promedio 2010-18	%
ALMERIA	0,93	2,07	0,07	1,06	0,07	0,00	0,04	0,57	1,61	0,71	0%
CADIZ	194,01	196,47	145,23	175,18	101,70	87,87	74,00	54,71	51,04	120,02	33%
CORDOBA	0,74	2,29	1,20	1,00	0,57	6,28	1,09	2,12	1,37	1,85	1%
GRANADA	2,01	1,83	2,00	3,79	4,75	3,38	4,23	7,83	7,82	4,18	1%
HUELVA	204,46	219,16	164,91	150,64	163,15	223,17	175,82	244,68	240,04	198,45	54%
JAEN	0,11	0,24	1,57	4,75	0,60	8,19	2,82	11,88	7,86	4,22	1%
MALAGA	7,19	5,90	7,79	6,54	6,32	7,41	41,00	48,96	59,67	21,20	6%
SEVILLA	20,77	47,28	24,53	15,61	5,39	8,53	4,80	19,57	16,94	18,16	5%
ANDALUCIA	430,21	475,23	347,31	358,57	282,55	344,83	303,81	390,31	386,34	368,8	