"The EU-MERCOSUR Trade Agreement: Opportunities and Challenges for Spanish Ports"

The signing of the trade agreement between the European Union and MERCOSUR represents a strategic step towards the creation of one of the largest free trade areas in the world. Its implementation is expected to significantly boost bilateral trade, particularly in sectors such as agri-food, industrial, and pharmaceutical, strengthening economic ties between the two regions.

This new scenario also has direct implications for the Spanish port system, which is emerging as a key logistics hub in the strengthening of Euro-Latin American trade relations. In a context of growing global uncertainty, the agreement offers a path to diversify markets, consolidate logistics corridors, and reinforce the role of ports as gateways for international trade.

Analysis of the Fundación Valenciaport

After more than two decades of negotiations, on **December 6, 2024**, the **European Union (EU)** and the **MERCOSUR**[1] countries finally concluded the negotiation process of the agreement that lays the foundations for their **strategic partnership**—a milestone reached in a complex geopolitical context that has accelerated efforts to strengthen economic and political cooperation between the two regions. The agreement, still pending ratification, encompasses **three pillars**: **political dialogue**, **cooperation**, **and trade**, with the aim of reinforcing strategic relations and promoting sustainable development and security. In the trade sphere, **the EU is already MERCOSUR's second-largest trading partner** in goods, just behind China, making this agreement a key opportunity for both sides.

However, the entry into force of the agreement requires a **complex ratification process**. In the EU, the trade component must be approved by both the **European Parliament and the Council**, while the political and cooperation provisions require ratification by the parliaments of all 27 member states. On the MERCOSUR side, the process is more streamlined and only requires parliamentary approval in each member country.

Despite these procedures, a relatively swift ratification is expected, driven by **growing protectionist tensions** in global trade. In this context, the agreement reinforces both regions' commitment to an open, rules-based trading system. Among its key measures are:

- **Gradual elimination of tariffs** on over 90% of traded goods.
- **Improved market access** for European companies and investments.
- Promotion of **sustainable access to raw materials**.
- **Integration of value chains** between both regions.

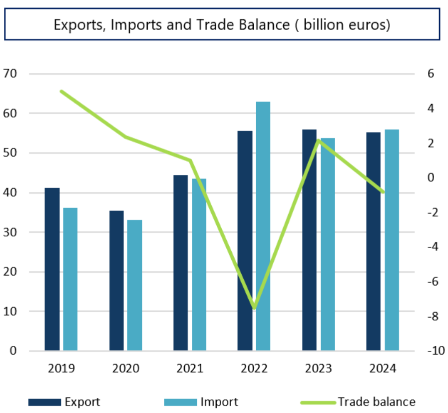
[1]The MERCOSUR economic block is made up of Argentina, Brazil, Paraguay, and Uruguay.

- Inclusion of commitments on **sustainable development**, climate change, and labor rights.

In practical terms, the agreement provides for the **gradual elimination of tariffs** on over 90% of traded goods, which will particularly benefit Spanish sectors such as industry and agri-food. MERCOSUR currently imposes **high tariffs** on European products—up to 35% on automobiles and 50% on fruits—the removal of which would ease the **entry of Spanish companies** into a strategic, high-potential market.

Although still awaiting the momentum that formal ratification would bring, **trade relations** between the EU and MERCOSUR were **already significant** (Illustration 1). In 2023, the EU accounted for approximately 17% of the Latin American bloc's total trade, a figure that has shown an **upward trend since the post-pandemic reopening**. In 2024, European exports to MERCOSUR reached €55 billion, while imports totaled €56 billion.

Illustration 1. Exports and import between EU and MERCOSUR



Main exporting countries (in €, 2024)	
GERMANY	29,98%
ITALY	13,49%
THE NETHERLANDS	10,74%
FRANCE	9,87%
BELGIUM	9,15%
SPAIN	8,78%
SWEEDEN	3,10%
AUSTRIA	2,39%
PORTUGAL	2,29%
POLAND	1,93%
IRELAND	1,65%
DENMARK	1,49%
FINLAND	1,23%
CZECH REPUBLIC	1,01%
HUNGARY	0,84%
REST	2,06%

Main importing countries (in €, 2024)	
THE NETHERLANS	24,23%
SPAIN	18,45%
GERMANY	13,36%
ITALY	10,85%
PORTUGAL	7,18%
FRANCE	6,56%
POLAND	5,00%
BELGIUM	4,62%
SWEEDEN	1,64%
DENMARK	1,16%
GREECE	1,15%
IRELAND	1,01%
BULGARIA	0,97%
SLOVENIA	0,95%
FINLAND	0,85%
REST	2,02%

Source: Own elaboration with data from Eurostat

By region, **Brazil** stands out as the **main trading partner within the bloc**, accounting for over 80% of imports and around 79% of European exports to MERCOSUR, followed at a considerable distance by Argentina, Uruguay, and Paraguay. Its **economic weight** and abundance of **natural resources** explain this leadership.

In terms of **sectors**, the EU mainly exports **capital goods** (37%), **semi-manufactured** products (36%), and **automotive sector products** (11%), as shown in Table 1. On the other hand, imports from MERCOSUR are dominated by **food, beverages, tobacco, energy products, and raw materials**, with Brazil and Uruguay as the main suppliers in these segments.

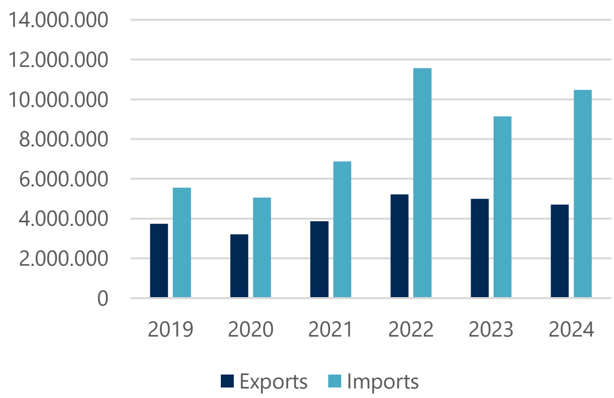
|*Table 1. Main export and impot sector between EU-MERCOSUR during 2024 (in thousands of euros)*

Sector	Export value	% of the total	Sector	Import value	% of the total
Capital goods	19,895,722	37.1%	**Food, beverages and tobacco**	23,699,291	42,4%
Semi-manufactures	19,454,462	36.3%	**Energy products**	12,084,851	21.6%
Automotive sector	5,890,967	11.0%	**Raw materials**	9,580,366	17.2%
Food, beverages and tobacco	2,976,691	5.6%	**Semi-manufactures**	5,549,023	9.%
Energy products	2,166,256	4.0%	**Capital goods**	2,741,758	4.9%
Consumer goods	1,821,344	3.4%	**Consumer goods**	1,133,549	2.0%
Other goods	502,614	0.9%	**Automotive sector**	725,129	1.3%
Raw materials	500,428	0.9%	**Other goods**	229,466	0.4%
Durable consumer goods	416,668	0.8%	**Durable consumer goods**	90,893	0.2%
Total	53,625,153		**Total**	55,834,325	

Source: Own elaboration with data from the Ministry of Economy, Trade and Industry

The formalization of the agreement between the EU and MERCOSUR would benefit the entire Union, but its strategic impact would be **particularly significant for Spain**, which ranks sixth among European exporters and second among importers in its trade relations with MERCOSUR. As the **EU's leading agricultural exporter**, Spain could establish itself as a key bridge in trade between Latin America and Europe, boosted by the reduction of trade barriers. Moreover, the agreement could encourage Spanish companies to establish operations in the region, **taking advantage of tariff reductions** and increased investment opportunities. This would strengthen already significant trade relations, which have shown **positive growth in both exports and imports** in recent years (Graph 2).

|*Graph 2. Export and import evolution between Spain and MERCOSUR (in thousands of euros)*



Source: Own elaboration with data from the Ministry of Economy, Trade and Industry

By sector, and as shown in Table 2, Spanish exports are led by **semi-manufactured goods, capital goods, and energy products**. As for imports, **energy products, food, and raw materials** stand out, with Brazil as Spain's main trading partner.

Table 2. Main export and impot sector between Spain-MERCOSUR during 2024 (in thousands of euros)

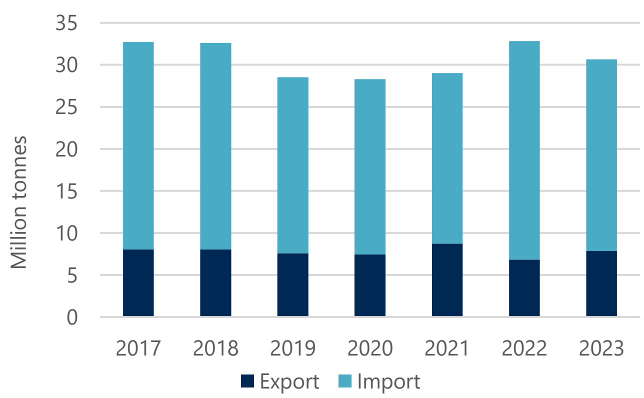
Sector	Export value	% of the total	Sector	Import value	% of the total
Semi-manufactures	1,997,837	42.5%	**Energy products**	4,536,409	43.3%
Capital goods	1,112,349	23.6%	**Food, beverages, and tobacco**	4,029,930	38.4%
Energy products	516,041	11.0%	**Raw materials**	887,014	8.5%
Food, beverages, and tobacco	395,025	8.4%	**Semi-manufactures**	644,470	6.1%
Automotive sector	269,355	5.7%	**Capital goods**	261,819	2.5%
Consumer goods	179,755	3.8%	**Consumer goods**	59,706	0.6%
Other goods	124,359	2.6%	**Automotive sector**	38,017	0.4%
Raw materials	88,172	1.9%	**Other goods**	15,659	0.1%
Durable consumer goods	22,732	0.5%	**Durable consumer goods**	8,538	0.1%
Total	4,705,625		**Total**	10,481,562	

Source: Own elaboration with data from the Ministry of Economy, Trade and Industry

One of the areas where the agreement between the **European Union and MERCOSUR** could have the greatest impact is in **port traffic** and **maritime services**. The intensification of **trade flows** between the two blocs could position **Spanish ports** as **key logistical hubs** along the **South Atlantic** axis, creating new opportunities for economic development and **maritime connectivity**.

According to data from **Puertos del Estado**, between 2017 and 2023, the **volume of goods** handled by **Spanish ports** in trade with **MERCOSUR** countries has shown notable stability (Graph 3). **Imports** have remained around **24 million tonnes annually**, peaking at over **26 million** in 2022. Meanwhile, **exports** have fluctuated between **6.8 and 8.7 million tonnes**. These figures reflect the **structural importance of trade** with this region, as well as its **growth potential** if barriers are reduced and logistics processes are streamlined.

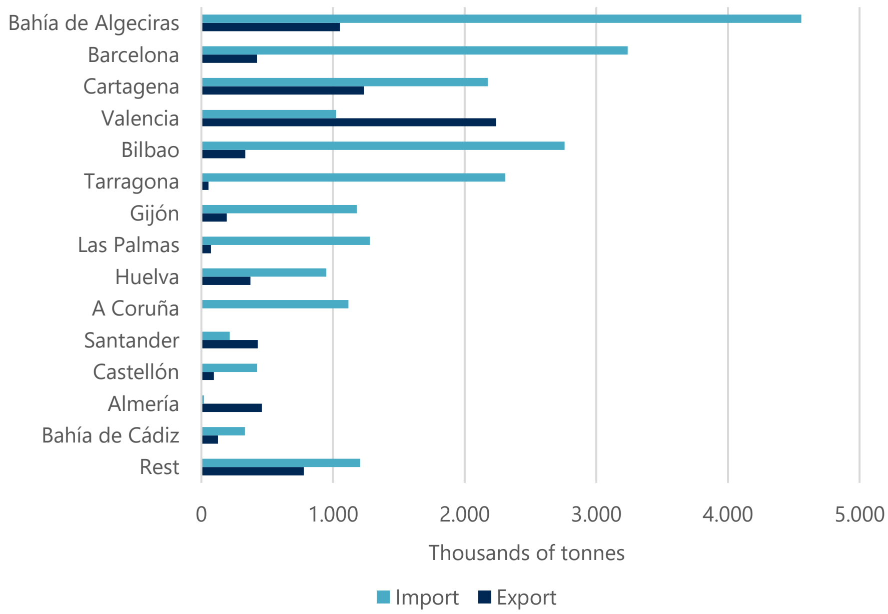
Graph 3. Evolution of port traffic Spain–MERCOSUR in million tonnes (including transit) (2017–2023)



Source: Own elaboration with data from Puertos del Estado

Moreover, according to the latest available data for 2023, **trade with MERCOSUR** is not concentrated in a single hub, but rather distributed among various **general-interest ports**, demonstrating the **capillarity** and **resilience** of the **Spanish port system**. As shown in Graph 4, the **Port of Valencia** led **exports** to **MERCOSUR** with over 2**.2 million tonnes,** while **Bahía de Algeciras** and **Cartagena** were the main entry points for goods coming from the region, handling **4.5 million and 3.2 million tonnes**, respectively.

Graph 4. Main Spanish ports in trade with MERCOSUR in thousand tonnes (including transit) (2023)



Source: Own elaboration with data from Puertos del Estado

This broad territorial distribution represents a **competitive advantage** over other European countries, as it allows for **route diversification**, the **reduction of bottlenecks**, and the leveraging of **synergies** between different logistics corridors. If the agreement is successfully implemented operationally, it could lead to a **strengthening of regular maritime services**, increased **port call frequency**, and enhanced **intermodal connectivity,** thereby consolidating the role of **Spanish ports** as **logistics platforms** between **Europe** and **South America**.

In this context, and according to data from Alphaliner, **six regular maritime services** currently connect Spanish ports with MERCOSUR countries (Table 3). These services contribute to **frequent port calls** and **logistical efficiency** along transatlantic trade routes, enabling the effective distribution of goods.

Table 3. Regular containerized maritime transport services between Spanish ports and MERCOSUR countries

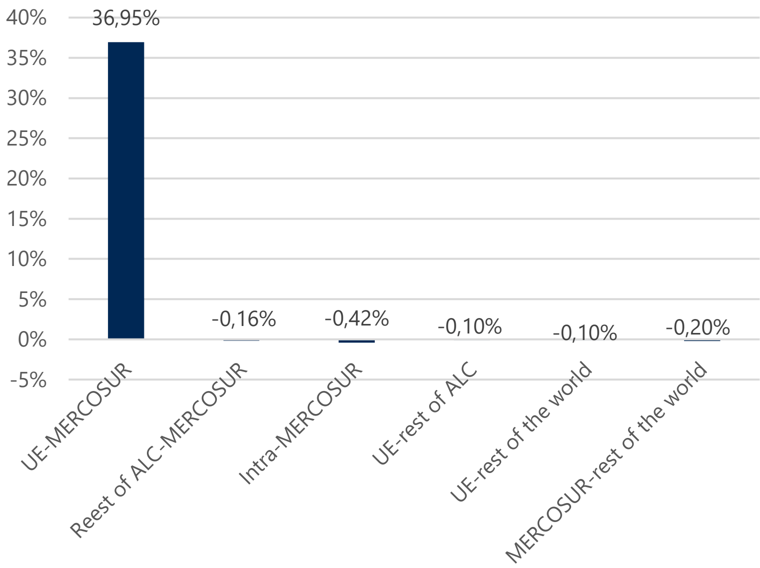
Service	Type of service	Operator	Vessel	Average capacity (TEU/week)	Rotation
Europe-Guiana-North Brazil service (via St Martin) (NEFGUI)	Vessel	CMA CGM / Marfret	7 vessels (2.100-2.339 teu)	2,212	**Vigo**, Rotterdam, London Gateway, Le Havre, **Philipsburg**, Port of Spain, **Degrad des Cannes**, **Vila do Conde**, **Fortaleza**, **Vigo**
Europe-Caribbean & Guyanas breakbulk service	General service	Soreidom	Variable fleet	-	The service typically covers ports including:Amberes, Dover, **La Coruña**, Vieux Fort, **St Laurent du Maroni**, **Georgetown (Guyana)**, **Paramaribo**, **Belem**, Rotterdam, Amberes
Europe-ECSA service (ESE2 / EEX / LUX)	Container	COSCO / OOCL / ONE	8 vessels (4.051-4.922 teu)	4,332	Rotterdam, London Gateway, Hamburgo, Amberes, Lisboa, **Algeciras**, **Santos**, **Paranagua**, **Montevideo**, **Buenos Aires**, **Itapoa**, **Santos**, **Rio de Janeiro**, **Algeciras**, Rotterdam
South America Line - North Europe-ECSA service	Container RORO	Grimaldi	4 vessels (850-1.414 teu)	579	Amberes, Hamburgo, **Vitoria**, **Rio de Janeiro**, **Santos**, **Paranagua**, **Montevideo**, **Zarate**, **Santos**, **Rio de Janeiro**, **Santa Cruz de Tenerife**, Amberes
Med-ECSA service (Bossa Nova / Sirius)	Container	Maersk A/S / CMA CGM	6 vessels (8.194-10.034 teu)	9,036	**Algeciras**, Tanger Med, **Salvador (Bahía)**, **Santos**, **Itapoa**, **Paranagua**, **Santos**, Sepetiba (Itaguai), Tanger Med, **Algeciras**
Med-ECSA service (MED/SAEC / MSE)	Container	MSC / Hapag-Lloyd	9 vessels (8.762-10.200 teu)	8,105	**Valencia**, **Barcelona**, Leghorn, Génova, **Valencia**, Suape, **Salvador (Bahía)**, **Rio de Janeiro**, **Santos**, **Paranagua**, **Itapoa**, **Montevideo**, **Santos**, **Rio de Janeiro**, **Las Palmas**, **Málaga**, **Valencia**

Source: Own elaboration with data from Alphaliner

The mentioned services reflect the **diversity of routes** and **the direct connectivity** between **Spanish ports** and major destinations **in MERCOSUR**, highlighting the **capacity** and **frequency** of maritime connections. These services not only optimize **bilateral trade** but also enhance the **competitiveness** of **Spanish ports** as **strategic hubs** in transatlantic trade. They already indicate the presence of services operated by major shipping companies, linking key Spanish ports such as Barcelona, Valencia, and Algeciras with several of the main ports in MERCOSUR, including **Santos, Paranaguá, Buenos Aires, and Rio de Janeiro.**

In parallel with these tangible effects on logistics chains and maritime services, the EU-MERCOSUR agreement also has a **strong strategic component**—both economic and geopolitical. According to an analysis by the **Elcano Royal Institute**, its implementation could result in an **increase of up to 37% in bilateral trade** (Graph 5). This figure could rise to as much as 70% if technical instruments such as cross-cumulation of rules of origin or Mutual Recognition Agreements (MRAs) are applied—mechanisms that ease technical requirements in key sectors like pharmaceuticals, agri-food, and industry.

Graph 5. Change in trade flows between geographic regions after the ratification and entry into force of the EU-MERCOSUR agreement (% variation, average of exports and imports)



Source: Elcano Real Institute

In addition to strengthening transatlantic trade, the agreement could also serve as a **catalyst for intra-regional Latin American trade**, with a potential 38% increase due to the consolidation of regional value chains. If ratified, the EU would become Latin America's main strategic partner, with trade agreements covering 95% of the region's GDP. This would create a joint economic space of more than 1.1 billion people, with an aggregate GDP comparable to that of the United States.

In this context, the recent experience of the **trade agreement between the European Union and Canada (CETA)** offers a useful reference for anticipating the potential effects of the MERCOSUR treaty. Since its provisional entry into force in 2017, CETA has **eliminated 98% of tariff lines**, resulting in a more than 65% increase in bilateral trade by 2022. Sectors such as **agriculture, industry, and pharmaceuticals** were particularly favored, while the EU's position as Canada's third-largest trading partner, behind the United States and China, was consolidated.

However, **the full implementation of the agreement has faced obstacles**, as its final ratification has not yet been completed by all member states. Concerns expressed by **countries like France**—centered on potential unfair competition and regulatory differences in health and environmental matters—highlight the need to achieve broad **internal consensus** within the EU before the full implementation of similar agreements. Nevertheless, **geopolitical pressure**, such as trade tensions with the U.S., has strengthened the EU-Canada relationship, driving **new rounds of dialogue and investment.**

This experience underscores the importance of establishing **clear regulatory frameworks**, **control mechanisms**, and **ongoing dialogue** with productive sectors to ensure a smooth transition. In the case of the agreement with MERCOSUR, **Spain** holds a **strategic advantage** due to its export leadership, solid port infrastructure, and connections to multiple logistics corridors. The combination of these factors, along with progressive trade liberalization, could lead to a scenario of sustained bilateral trade growth.

In this context of **increasing commercial complexity**, the tariff policies adopted by the United States under the **Trump administration** have added **uncertainty to the global landscape**. These policies—which include a 10% tariff on Mexican exports and a 5% tariff on Brazilian exports—are significantly affecting trade between the United States and Latin America. According to Moody's Analytics, **Brazil and Mexico are the countries most exposed** to these measures, which could lead to reduced economic growth in 2025. Brazil's growth is projected to be 2%, down from a previously expected 3.2%, while Mexico's growth could fall to just 0.6%. These shifts not only impact the economic stability of the affected countries but also create broader uncertainty in global trade.

In light of this scenario, the ratification of the EU-MERCOSUR association agreement becomes even more relevant. **Market diversification and reducing dependence on the United States** emerge as **key strategies** to mitigate the effects of protectionist policies. In this sense, the EU-MERCOSUR agreement represents an **opportunity to strengthen trade relations** between Europe and Latin America, offering new opportunities for the export sectors of both blocs. This agreement would not only **boost bilateral trade** but could also provide a **stable platform** to counter the fluctuations and tensions arising from U.S. trade policies.