

## New EU Agreements

On June 28, 2019, after twenty years of negotiations, the European Union (EU) and Mercosur (a trading group consisting of Argentina, Brazil, Uruguay, and Paraguay) have completed a free trade deal. This deal will reduce or eliminate trade tariffs, increasing exports and reducing the cost of imports (EU, 2019). Export duties on ninety-one percent of goods that EU companies export to Mercosur will progressively be reduced and import duties on ninety-two percent of goods exported from Mercosur to the EU will also be removed (Key, 2019).

Many farmers expressed their displeasure with the EU-Mercosur deal. Beef farmers in Ireland protested at the Irish parliament, claiming that the deal undermines the domestic market. By opening EU markets to ninety-nine thousand tons of beef from South America, the trade deal will cause the price of beef to drop. The farmers say they will not be able to survive since they must follow strict environmental restrictions that South American farmers are not subject to (Irish, 2019).

The EU has also entered into the largest free trade agreement ever with Japan, the EU-Japan Economic Partnership Agreement (EPA), which came into effect on February 1, 2019. Over the next fifteen years, the EPA will remove duties on ninety-seven percent of EU imports to Japan and ninety-nine percent of Japanese imports to the EU. In addition to reducing tariffs, the agreement also contains clauses on “labor rights, environmental protection and climate change, state-owned enterprises, public procurement, market access, intellectual property, and data protection” (Hakoune, 2019).

Sources:

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