

The EU-Mercosur trade agreement

Opening up a wealth of opportunities for people in Austria



The EU-Mercosur trade agreement will



Scrap **customs tariffs** for Austrian exporters and importers



Give Austrian companies better access to the Mercosur **services** market



Make it easier for Austrian firms to bid for **public contracts** in Mercosur



Create new opportunities for Austrian **farmers** and **agri-food** producers



Protect **distinctive Austrian** food and drink products



Help Austria's **small businesses** export more to Mercosur

Trade is important for Austria's economy

Nearly **500,000 jobs**

in Austria are supported by exports to countries outside the EU.

Some **32,000 Austrian jobs**

rely on exports to Mercosur.

Austria and Mercosur already have a close Trading and investment relationship

€500 million

Austria's trade in goods surplus with Mercosur

over €1 billion

Austrian exports to Mercosur

€512 million

Austria's imports from Mercosur

1,110

The number of Austrian companies exporting to Mercosur



Trade in goods

Scrapping customs tariffs for Austrian exporters and importers

Total Austrian exports of goods to Mercosur amount to **€1 billion** (2018).

The agreement will bring big **savings on customs duties** by eliminating tariffs on 91% of all products.

Austria will **benefit from tariffs being progressively removed on virtually all of its exports**, making them more competitive. Virtually all Austrian exports will benefit from enhanced opportunities:



Machinery & electrical equipment

Austrian exports of machinery are already worth **€241 million a year** (2018). This sector employs **more than 120.000 people** in Austria.

Key exports include:

- Electrical transformers: **€38 million**
- Machinery for lifting and loading, such as cranes, lifts and fork-lift trucks, including parts: **€29 million**

High tariffs ranging between 14% and 20% for some products will now be progressively removed.

This sector could also benefit from improved access to public contracts in Mercosur.



Transport equipment

Austrian exports of transport equipment to Mercosur (2018) are already worth over **€87 million**.

Manufacturing of motor vehicles, trailers, semi-trailers and of other transport equipment **employs 38.000 people** in Austria.

Main exports (2018):

- Cars and car parts **€38 million**
- Railway and tramway vehicles nearly **€9 million**
- Aircraft parts **€29 million**



Measuring instruments

Austrian exports of measuring instruments to Mercosur are already worth **€45 million a year** (2018)

Mercosur is an important market for Austrian exports of optical and medical measuring instruments.

In addition to direct exports, Austria exports to Mercosur indirectly by exporting parts and intermediate goods to other European countries, who then export finished products to Mercosur.



Metal and paperboard

Austrian **paper and paperboard** exports to Mercosur are worth **€23 million** (2018).

This sector employs more than **17.000 people** in Austria.

Austrian exports of **iron and steel** to Mercosur are worth **€171 million**, and aluminium **€14 million** (2018).

Mercosur tariffs on these products will be progressively eliminated.



Chemicals and pharmaceuticals

Austrian exports of chemicals and medicines to Mercosur are worth **€219 million** (2018).

The pharmaceutical sector employs **more than 13500 people** in Austria.

Austrian exports of pharmaceuticals are worth **€164 million** and chemicals **€55 million** (2018).

Mercosur tariffs, up to 14% for pharmaceuticals and 18% for chemicals will be progressively eliminated.



Food and drink

Creating new opportunities for Austrian farmers and agri-food producers

Currently, agri-food products represent only 5% of the EU's total exports to Mercosur, consisting mostly of high-value added products.

Exports in this sector are low due to tariff barriers of up to 27%, with peaks of 35% and 55%, and other restrictions.

The Mercosur trade deal will eliminate those obstacles and make EU agri-food exports much more competitive.

The Mercosur trade agreement thus offers significant opportunities for Austrian farmers

and the Austrian agri-food industry to increase their exports to this region.

Today, Austrian agricultural exports to Mercosur amount to **€62 million** a year (2018). Austria is for example the EU's leading exporter of soft drinks to Mercosur. Austrian **soft drinks exports** to Mercosur were worth **€47 million** in 2018.

Austrian exports of chocolates to Mercosur countries are worth further **€2 million** (2018).



Supporting Austrian farmers in case of challenges

A number of important measures will be in place to protect the interests of Austrian farmers and consumers:

1. A support package of up to €1 billion to assist farmers in the event of significant market disturbance.
2. The deal also includes a safeguard clause, which can be used if the EU farming sector is, or is at threat of being, seriously effected by increased imports. This is the first time that such a measure was included in any trade agreement.

For more information click [here](#)

3. The EU is a global standards setter and all beef and other food products imported into Austria will have to comply fully with the EU's stringent [food safety](#) standards.
4. A number of commitments in the agreement will ensure that the Mercosur countries fulfil their obligations under the [Paris Climate Agreement](#).



Protecting distinctive Austrian food and drink products

Mercosur provides a high level of **protection for 11 distinctive Austrian food and drink products** recognised as geographical indication (GI).

With the deal, producers in Mercosur won't be able to sell local or foreign products using the names of Austrian GIs if they do not comply with the GI specific production conditions.

So, for example, they won't be able to market ham as *Tiroler Speck* unless it actually comes from Tirol in Austria.

These products were chosen by Austria, amongst other factors, on the basis of their current exports and export potential to Mercosur.

Austrian Geographical Indications

Product	GI Name
Cheese	Tiroler Almkäse ; Tiroler Alpkäse
	Tiroler Bergkäse
	Tiroler Graukäse
	Vorarlberger Alpkäse
	Vorarlberger Bergkäse
Spirits and liqueurs	Inländerrum
	Jägertee / Jagertee / Jagatee
	Korn / Kornbrand
Meat	Tiroler Speck
Vegetable oil	Steirisches Kürbiskernöl
Horseradish	Steirischer Kren



Trade in services

Giving Austrian companies more access to the Mercosur services market

Austria and the Mercosur countries export a lot of services to each other.

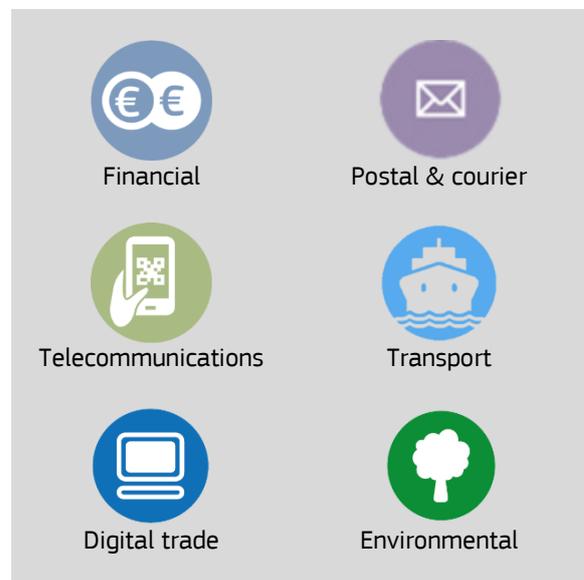
Austrian exports of services to Mercosur are worth **€104 million** and imports from Mercosur **€187 million** a year (2017).

Many commercial services (not reflected in the above figures) are also supplied by Austrian companies established in Mercosur, or vice-versa.

In 2017, Austria's main services exports to Mercosur included:

- Business services
- Telecommunication
- Tourism

The EU-Mercosur agreement will further open the Mercosur services market in some sectors, notably:



The Mercosur agreement also brings legal certainty for other EU services exporters: Mercosur has committed to maintain as minimum its current level of openness towards EU companies.



Public procurement

Enabling Austrian firms to bid for more public contracts in Mercosur

Austrian companies will get better access to Mercosur's large public procurement market.

Austrian companies will be able to bid to supply goods, services and works tendered by central- and federal-level entities in Mercosur countries, on the same terms as local companies.

In addition, each Mercosur country committed to making its tendering process more transparent, for example by publishing the

public tenders' notices on a single procurement website and making information on public procurement legislation publicly available. This will make it easier for Austrian companies to access public procurement contracts in Mercosur countries.

Each Mercosur country has also agreed to make its tendering process fairer, for example by making challenge procedures available to bidding companies that feel they have been treated unfairly.



Small enterprises

Helping Austria's small businesses export more to Mercosur

Austrian small businesses are very export-oriented and make up **95%** of the total number of Austrian exporters.

Lower or no tariffs, simplified customs procedures and more compatible technical requirements will all make it easier and cheaper for them to export.

This will allow smaller firms to:

- compete more easily with large companies
- participate more in supply chains and e-commerce

Smaller businesses will be able to take full advantage of the EU–Mercosur trade agreement also thanks to specific provisions that improve access to information on public procurement tenders and simplify customs procedures.