

# European businesses have concerns about the EU-Mercosur deal: new YouGov poll shows

A new YouGov poll, published today, has captured the opinion of business leaders on the EU-Mercosur Trade deal. The poll shows that **nearly half (46.3%) of business leaders have concerns about the deal's environmental impacts**. An even higher number **(49%) are in favour of legally binding environmental protections in the agreement, including sanctions** in the cases where environmental standards are breached.

The poll ran throughout November 2021 and surveyed 2,420 business leaders from across 8 EU Member States (France, Germany, Netherlands, Italy, Spain, Ireland, Belgium and Hungary). It was commissioned by the Greens/EFA Group.

The EU-Mercosur Trade Agreement will lead to an increase in the export of beef, soy, bioethanol (mostly derived from sugar cane) and other agricultural goods from the Mercosur region to the EU. It will also lead to an increase of exports from the EU to Mercosur, particularly of cars, car parts, machinery, chemicals, and pharmaceutical products.

The deal has proven to be controversial. Activists, civil society and experts have sounded the alarm about the possible ramifications for the environment and human rights. The European Ombudsman criticised the European Commission for not finalising the sustainability assessment on the EU-Mercosur deal before concluding negotiations<sup>1</sup>. Nonetheless, the European Commission remains eager to ratify the deal as swiftly as possible.

## Nearly half of business leaders are concerned about the deal's environmental impacts

The poll reveals that nearly half of business leaders surveyed have concerns about the deal's environmental impacts.

46.3% of business leaders declared themselves to be either "very concerned" or "somewhat concerned" about the deal's impact on the environment.

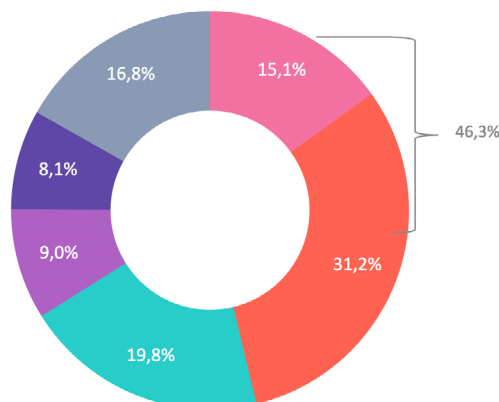
Significant concerns about the agreement's potential impact on the environment and the climate have been

raised in the past few years by a variety of stakeholders, including Member States themselves. The European Parliament has twice stated that it will not ratify the deal in its current form because of environmental concerns.<sup>2, 3</sup>

An expert study commissioned by the French Government estimated that the agreement will lead to an expected 25% increase in deforestation in South America.<sup>4</sup>

### To what extent are you concerned about the environmental impacts of the EU-Mercosur Trade agreement?

● Very concerned ● Somewhat concerned ● Neither concerned nor unconcerned ● Not very concerned ● Not concerned at all ● Don't know



N 2,420

Belgium, France, Germany, Hungary, the Netherlands, Ireland and Spain

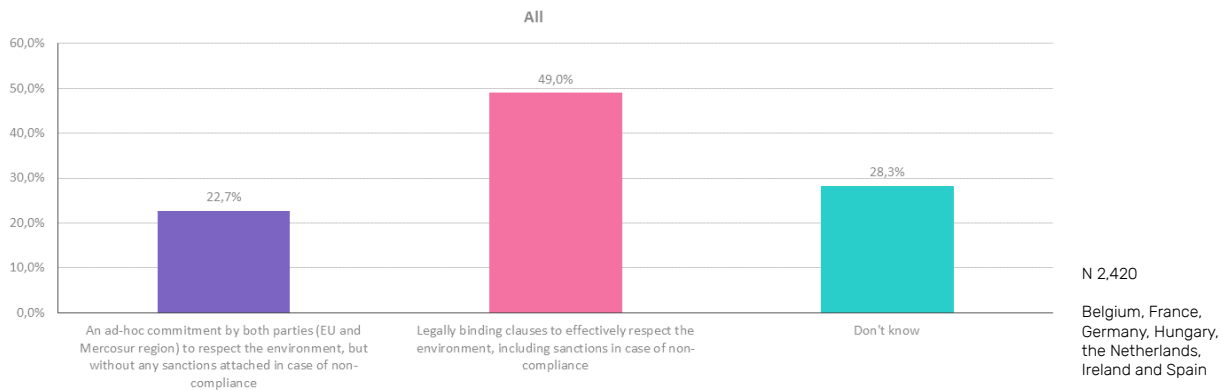
## Business leaders want sanctionable sustainability standards in the EU-Mercosur deal

A majority of business leaders surveyed (49%) believe that the best way to address these environmental concerns would be via legally binding clauses, including sanctions in the case of non-compliance. Only 22.7% would prefer commitments without sanctions. A large group (28.3%) did not know how the environmental

concerns could be best addressed.

This sends a clear signal to the European Commission, which currently opposes sanctionable sustainability standards in the EU-Mercosur agreement. Instead, the Commission is seeking to create an additional instrument with the Mercosur countries. This could include commitments on environmental protection, but would stop short of sanctions in the case of non-compliance, which is far from sufficient.

### How do you think these concerns would be best addressed in the trade agreement?



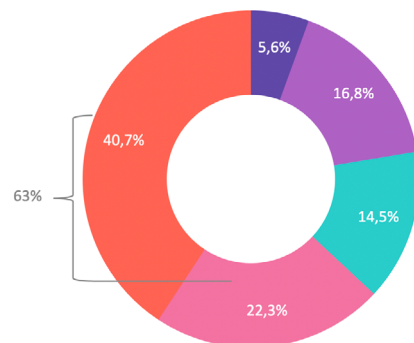
## European businesses do not know enough about the EU-Mercosur trade deal and believe it will not affect them

The European Commission has been pursuing a ratification of the EU-Mercosur Trade Agreement on the

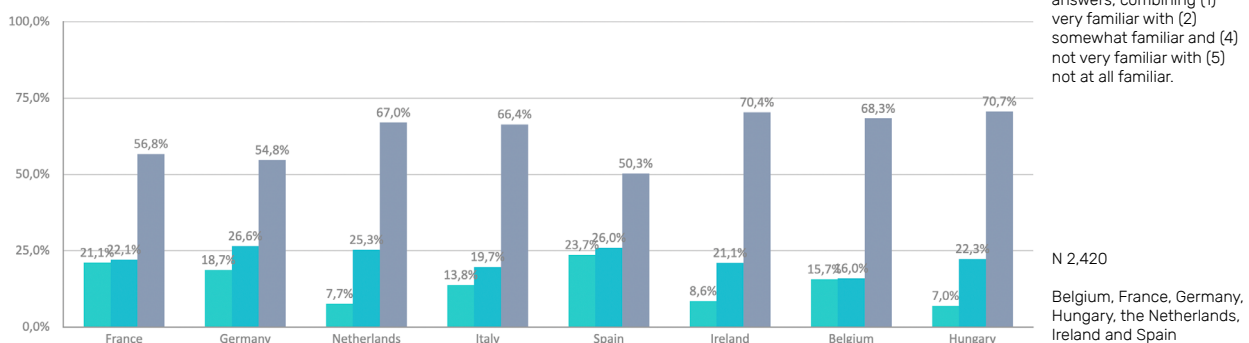
grounds of its benefits for European industry. However, only one in five (22.4%) business leaders across the eight surveyed EU Member States were even familiar with the EU-Mercosur Trade Deal. Meanwhile, 40.7% of those surveyed were not at all familiar and 22.3% were not very familiar with the deal.

### How familiar are you with the EU-Mercosur Trade agreement?

Very familiar   Somewhat familiar   Neither nor   Not very familiar   Not at all familiar

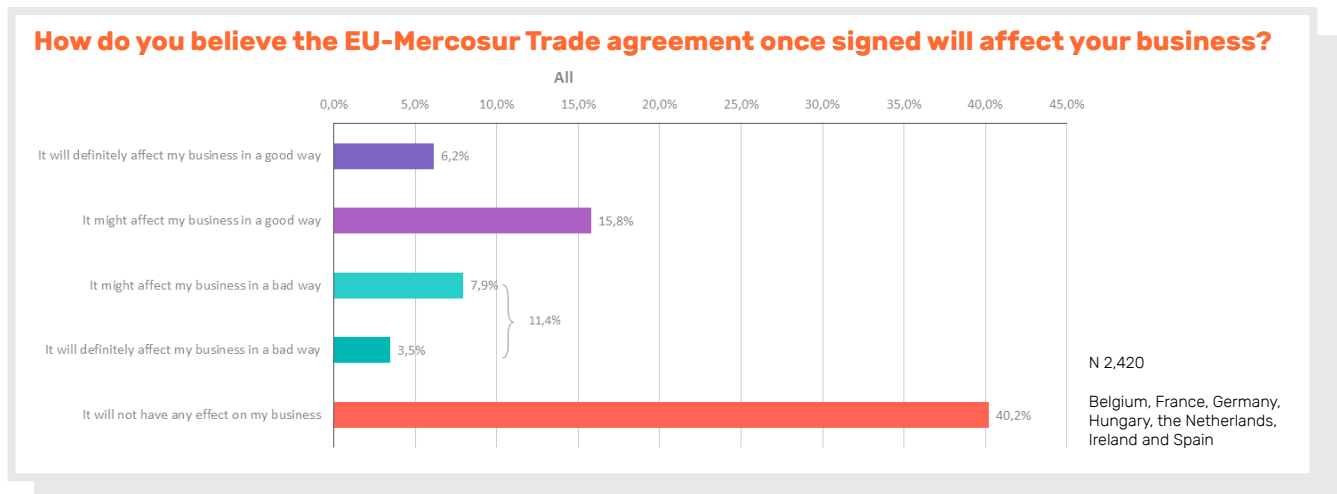


Neither nor   Very familiar or somewhat familiar [1-2]   Not very familiar or not at all familiar [4-5]



Furthermore, many business leaders do not see any direct positive consequences for their company. After the main features<sup>5</sup> of the deal in terms of exports and imports was explained to them, **a large percentage of the respondents (40,2%) said they think the deal will not have any effect on their business whatsoever.**

Only 22% think the deal will affect their business in a good way. A small but relevant part (11.4%) of the business leaders surveyed think the deal will have a negative effect on their business.



**Anna Cavazzini MEP**, Greens/EFA Shadow Rapporteur on the EU-Mercosur Agreement, has commented:

*“Again and again we hear the same argument: The industry wants the EU-Mercosur trade agreement! But this statement does not hold water. In fact, the survey shows that support for the controversial EU-Mercosur trade agreement is not particularly high in the European business community.*

*Business leaders share our concerns about the impact of the agreement on the climate and rainforests, while many do not see any direct positive consequences for their company. This is not surprising, since the EU-Mercosur agreement has too many flaws. Most European business leaders support the demand to include sanctionable sustainability standards in the agreement. The European Commission must finally change its course in order to make that happen.”*

**Yannick Jadot MEP**, Greens/EFA Shadow Rapporteur on the EU-Mercosur agreement, has commented:

*“The results of this survey among business leaders on the EU-Mercosur agreement are clear. Half of the business leaders surveyed across Europe are concerned about its environmental impact. And rightly so. For small and medium-sized enterprises (SMEs) in particular, it is a very poor agreement, written to benefit the biggest businesses, such as BASF and Bayer Monsanto, who would more easily be able to export dangerous pesticides that are banned in the EU.*

*Furthermore, the agreement increases competition between the biggest businesses and the rest. The text of the agreement offers no guarantee that small businesses would not be exposed to undue competition. It is a harmful agreement for the environment, for health and for SMEs.”*

### Disclaimer

This survey was conducted by YouGov among people at a managerial level in eight different EU member states (Germany, France, Belgium, Hungary, the Netherlands, Ireland, Italy and Spain) with a total of 2,420 interviews, evenly distributed among the eight countries. The interviews took place from 8th - 18th November 2021.

<sup>1</sup> <https://www.ombudsman.europa.eu/en/news-document/en/130053>

<sup>2</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2020-0252\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2020-0252_EN.html)

<sup>3</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0425\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0425_EN.html)

<sup>4</sup> [https://www.gouvernement.fr/sites/default/files/document/document/2020/09/rapport\\_de\\_la\\_commission\\_devaluation\\_du\\_projet\\_daccord\\_ue\\_mercosur.pdf](https://www.gouvernement.fr/sites/default/files/document/document/2020/09/rapport_de_la_commission_devaluation_du_projet_daccord_ue_mercosur.pdf)

<sup>5</sup> The survey provided a short overview, as follows: “The European Union and the Mercosur countries (Brazil, Argentina, Uruguay, Paraguay) are about to sign a free trade agreement. It will lead to an increase of Mercosur exports of beef, soy, bioethanol (mostly derived from sugar cane) and other agricultural goods to the EU. It will also lead to an increase of exports from the EU to Mercosur in cars, car parts, machinery, chemicals, and pharmacological products.”