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Time is Money: The Cost of Delaying the Ratification of the EU-Mercosur Trade Agreement

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Brussels, 20 January 2026 - The European Union's prolonged failure to ratify the EU-Mercosur Agreement has imposed a substantial and mounting economic cost on the bloc.

According to a [new ECIPE report](#), between 2021 and 2025 the EU forfeited **€183bn in exports** and **€291bn in gross domestic product**, reflecting economic activity that would have materialised had the agreement entered into force as planned in 2021.

"These losses are not abstract projections; they represent real, measurable economic activity that Europe has missed out on", said Oscar Guinea, co-author of the study. ***"At a time of sluggish growth, the EU cannot afford to leave this much value on the table"***, added Elena Sisto, co-author of the study.

Despite these costs, members of the European Parliament have initiated a procedure to refer the trade deal to the Court of Justice of the European Union (CJEU) and a vote is scheduled to take place on Wednesday, 21 January 2026. If a majority supports referring the matter to the CJEU tomorrow, then **the ratification process would be again effectively frozen** for many months to come. If ratification continues to be deferred through 2026, the toll will rise further: foregone exports would reach €216bn, while lost GDP would climb to €344bn. **Each additional month of delay in 2026 alone amounts to €4.4bn in lost GDP and €3bn in missing exports.**

The study also warns that the cost of delay extends far beyond lost sales. Policy uncertainty has prompted European firms to redirect investment and reorganise supply chains away from Mercosur, changes that are unlikely to be reversed.

Crucially, the delay undermines the EU's strategic objective of reducing dependence on China for critical raw materials. Without the agreement, the EU forfeits preferential access to Mercosur's vast reserves of essential inputs. ***"Speeding up the conclusion of its trade agreements is crucial for the EU in current times of geopolitical turmoil"***, stressed Philipp Lamprecht, co-author of the study.

The EU-Mercosur Agreement was politically concluded in 2019, with ratification expected by 2021. Instead, repeated postponements have extended a negotiation process that began in 2000. The study argues that this prolonged timeline has imposed a significant and avoidable economic burden.

It is imperative to not delay the agreement further. ***“Time is money”***, said Fredrik Erixon, co-author of the report. ***“Every day without ratification translates into forgone sales and unrealised growth.”***

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