

Mercosur as an Alternative to the EU Countries' Trade Dependence on China – Opportunities and Threats of Merchandise Trade*

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Abstract

The topic of the article is the EU's dependence on imports from China and the implementation of mechanisms to protect the common market against threats from China. UE's exports and imports with China lead to imbalance in merchandise trade and geopolitical threats. In this context, an alternative to China emerges in the form of an agreement to create the world's largest free trade area between the EU and Mercosur. This agreement is part of the EU's geopolitical strategy, and both parties aimed to sign it by the end of 2023, but it still has not been ratified. This paper seeks to analyze the EU's trade dependence on China. The research question is formulated as follows: Considering opportunities and threats, is Mercosur a viable alternative to the EU's dependence on China in terms of merchandise trade? In this context, the article shows a new factor that became very important is the environmental impacts of the trade agreement.

Keywords: merchandise trade, UE-27, China, Mercosur, sustainable development