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Brazil

Trade Policy Monitoring

Mercosul and Andean Group Agreement

2004

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Report Highlights:

Mercosul and the Andean Community of Nations (CAN) signed an agreement for an integration of the two blocks, after 10 years of negotiations. The agreement will create the 5th largest economic trade block in the world with 360 million consumers, and a GDP around US\$ 950 billion.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brasilia [BR1]
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On October 18, 2004, the Mercosul and the Andean Community of Nations (CAN, in Portuguese) signed an agreement for the integration of the two trade blocks. The ceremony occurred during the 13th Meeting of the Minister's Council of the Latin American Association of Integration (ALADI).

The agreement calls for progressive free trade integration between the two blocks with tariff reductions scheduled for the next 15 years. This agreement is also a major step towards a free trade area between South America countries.

The agreement leads to the creation of the 5th largest trade block in the world with 360 million consumers and a GDP around US\$ 950 billion.

According to trade sources, the trade between Mercosul and CAN in 2004 reached US\$ 5.4 billion, with the Mercosul having a surplus of US\$ 2.8 billion.

MERCOSUL x CAN

