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Italian Wine Industry Eyes 250 Million New Consumers as EU-Mercosur Trade Deal Faces French Opposition

Producers seek to reduce reliance on US and China, highlighting tariff cuts up to 35 percent for sparkling wines

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Lamberto Frescobaldi

The Italian wine industry has voiced strong support for the EU-Mercosur free trade agreement, urging the Italian government to move forward with ratification. This comes as the French government announced its opposition to the deal earlier this week, raising concerns that the agreement could be blocked at the European level. The EU-Mercosur agreement, negotiated between the European Union and the South American trade bloc Mercosur—which includes Brazil, Argentina, Uruguay, and Paraguay—has been under discussion for years. It aims to create one of the world's largest free trade areas.

On December 17, 2025, Lamberto Frescobaldi, president of the Unione Italiana Vini (UIV), sent a letter to Italian Prime Minister Giorgia Meloni and ministers Antonio Tajani and Francesco Lollobrigida. In his letter, Frescobaldi called the agreement "strategic" for Italy's wine sector. He argued that it would open access to a market of more than 250 million consumers in South America, eliminate tariffs and non-tariff barriers, and protect European geographical indications. Frescobaldi said these changes would help Italian wine producers diversify their export markets beyond their current heavy reliance on the United States and China.

Currently, about 60 percent of Italian wine exports are concentrated in just five countries. This dependence makes producers vulnerable to international market fluctuations or political tensions. The EU-Mercosur agreement is expected to gradually liberalize 90 percent of industrial goods imports and 93 percent of agricultural products over ten years. For wine specifically, import duties in countries like Brazil can reach up to 27 percent for still wines and 35 percent for sparkling wines. Removing or reducing these tariffs would make Italian wines more competitive in South America.

While many European agricultural organizations have protested against the agreement—arguing that it could expose European farmers to less regulated South American products—the wine sector sees potential benefits. Frescobaldi emphasized that the deal includes provisions for recognizing and protecting European geographical indications, which are important for maintaining product identity and quality standards.

The UIV believes that South America is a promising market for European wines due to historical and cultural ties. The organization also points out that some traditional export destinations for Italian wine have recently shown signs of slowing demand or increased uncertainty. By opening new routes in South America, Italian producers hope to offset these challenges.

Frescobaldi urged the Italian government to continue diplomatic efforts with both European partners and Mercosur countries to reach a balanced agreement within a reasonable timeframe. He stressed that timely ratification would allow Italian wine producers to benefit from new opportunities while ensuring adequate protections for European agriculture.

The debate over the EU-Mercosur agreement remains heated across Europe. While France’s opposition could delay or block ratification at the EU level, Italy’s wine industry is making its case for moving forward. The outcome will have significant implications not only for trade relations between Europe and South America but also for the future growth of Italy’s wine sector.