

Canada and Mercosur Resume negotiations on a Free Trade Agreement

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The negotiations between Canada and the Mercosur trade block are back in motion after being paused since 2021. The discussions gained new momentum following a high-level meeting in Brasília between Brazil's Foreign Minister Mauro Vieira and Canada's Minister of International Trade, Maninder Sidhu. The two sides agreed that their chief negotiators will meet in early October to formally restart discussions toward a free trade pact.

Minister Sidhu emphasized the importance of building trade alliances rooted in predictable, rules-based systems, like those embodied by Mercosur. The revival is also due to Canada's growing interest in prioritizing the diversification of trade relationships beyond its traditional partners.

Talks had previously stalled amid political uncertainty in Mercosur member states and the impact of the COVID-19 pandemic. Brazil, which currently chairs the bloc, described the October meeting as a critical step in advancing the process.

From Mercosur's side, the bloc - comprised of Brazil, Argentina, Uruguay, Paraguay, with Bolivia seeking full membership - recognizes the deal as a strategic opportunity. Brazil's Foreign Trade Secretary Tatiana Prazeres noted that while internal coordination is needed, discussions are already underway to relaunch the trade process.

Should the negotiations progress as expected, it is suggested that a deal could be finalized within roughly a year, offering both sides a broader market access. Key sectors expected to benefit include agriculture, minerals, and other commodities.

Today, Canada is the seventh-largest destination for Brazilian exports, while Brazil is the largest Latin American investor in Canada, offering opportunities in infrastructure, technology, renewable energy, and agribusiness.

Should you have any questions regarding this article or require further information, please contact the author. If you have a corporate law matter and are in need of legal advice, please do not hesitate to contact Eliane Leal da Silva, at 416.865.3257. A PDF version is available to download [here](#).

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Author



Eliane Leal da Silva

Associate

416.865.3257

elealdasilva@grllp.com



**GARDINER
ROBERTS**

Bay Adelaide Centre — East Tower
22 Adelaide Street West, Suite 3600
Toronto, ON M5H 4E3

Phone: 416.865.6600
Fax: 416.865.6636
contactGR@grllp.com