

# Progress Intensifies in Canada–Mercosur Free Trade Agreement Negotiations

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Negotiations toward a comprehensive free trade agreement between Canada and the Mercosur have entered a decisive phase, with both sides expressing optimism that a deal could be finalized before the end of 2026.

Mercosur, comprising Argentina, Brazil, Paraguay, and Uruguay, is one of the world's largest regional trade blocs, and a potential agreement with Canada would mark a significant expansion of economic ties between North and South America.

## Accelerated Negotiations

Negotiations have gained notable momentum in recent months following their relaunch in 2025 after several years of stagnation. According to officials involved in the process, negotiations are progressing “at record speed,” with multiple rounds of discussions scheduled, including meetings in Brasília and on the sidelines of international forums.

The eighth round of negotiations took place in Brasília from February 23 to 27. A further round will take place in April, allowing the negotiating groups to continue advancing the drafting of texts and the exchange of offers.

Canada's Minister of International Trade, Maninder Sidhu, has stated that both sides are aiming to hold negotiations frequently, potentially every six weeks, with the goal of reaching an agreement by the fall of 2026. Officials in Argentina and Brazil have expressed similar optimism, suggesting the deal could be signed as early as September or October if current progress continues.

## Broader Global Context

The Canada–Mercosur negotiations are unfolding within a broader wave of global trade realignment. Earlier in 2026, Mercosur finalized a trade agreement with the European Union after decades of negotiations, signaling the bloc's growing role in international trade networks.

This trend reflects a wider push among countries to strengthen economic ties and reduce dependence on traditional partners amid shifting geopolitical and economic conditions.

## Outlook

While key issues remain to be resolved, the pace and tone of negotiations suggest a high likelihood of success. If concluded, a Canada–Mercosur agreement would represent one of Canada's most significant trade deals in recent years and a major step toward reshaping its global trade strategy.

The coming months—particularly the next rounds of negotiations—will be critical in determining whether both sides can translate momentum into a finalized agreement. A PDF version is available to download [here](#).

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