

Introduction

Mercosur, also known as the Common Market of the South, is a trade bloc agreement that exists between the following South American countries: Argentina, Brazil, Paraguay, and Uruguay. The trade bloc was established under the Treaty of Asuncion in March 1991; it was then expanded under the 1994 Treaty of Ouro Preto, which set up a formal customs union. The main objective of Mercosur is to bring about the free movement of goods, capital, services, and people among its member states. The official languages of the trade bloc are Portuguese and Spanish. In addition to the four founding members of Mercosur and Venezuela, there are five countries with associate member status. These countries are Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, and Surinam. As associate members, they are able to join free-trade agreements but do not receive the benefits of the customs union.

Number of member countries: 5

Region(s): South America

Headquarters: Montevideo, Uruguay

Composition: Plurilateral

Coverage: Goods & Services

Signed: January 1, 1991

Entry into force: January 1, 1991

Web Site: <http://www.mercosur.int/>



Member Countries

Argentina	Paraguay
Bolivia	Uruguay
Brazil	

History

1979 - Signature of the Tripartite agreement between Argentina, Brazil and Paraguay.

1984 - First informal talks about integration between Argentina and Brazil.

1985 - Presidents Alfonsin (Argentina) and Sarney (Brazil) commit their respective countries to integration. A joint Declaration on Nuclear Cooperation is also issued.

1986 - Presidents Alfonsin and Sarney sign the Programa de Integracion y Cooperacion Economica (PICE) establishing economic integration between Argentina and Brazil. The original program comprised 12 sectoral protocols, increased to 24 in subsequent summits.

1988 - Signature of the Treaty of Integration, Cooperation and Development between Argentina and Brazil. The treaty establishes a common economic space and introduces the concept of common market as an aspiration for the future.

1990 - Signature of the Buenos Aires Act that provides for the establishment of a bilateral common market by December 1994. A diplomatic campaign to attract new members to the future common market starts. Negotiations proceed now on to two parallel tracks: bilateral and multilateral.

1991 - The Treaty of Asunción, establishing a common market between Argentina, Brazil, Paraguay, and Uruguay, is signed.

1994 - Protocol of Ouro Preto, amending the Treaty of Asunción from a Free Trade Area to a Customs Union.

1996 - Bolivia joins Mercosur as an associated member.

August 25, 2003 - Brazil and Peru's presidents sign a free-trade agreement between Peru and Mercosur. Peru planned to join as an associate member.

December 8, 2004 - Mercosur signs a cooperation agreement with the Andean Community of Nations. As a result, Colombia and Ecuador are brought in the fold as Mercosur associate members, joining their fellow Andean Community members, Bolivia and Peru.

July 21, 2006 - Venezuela is accepted as a member of Mercosur, but waiting on recognition of full membership from Paraguayan parliament.

May 7, 2007 - The Mercosur Parliament is inaugurated following an agreement in 2004 ordering its creation. It is based in Montevideo, Uruguay.

June 1, 2012 - Paraguay is suspended from Mercosur in response to the impeachment of a senator for "dereliction of presidential duties". Mercosur interpreted this as a congressional coup and sanctioned Paraguay until fresh elections were held.

July 31, 2012 - Venezuela is officially welcomed into the Mercosur trade bloc as Brazilian President Dilma Rousseff hosted Argentina's President Cristina Fernandez and Uruguay's Jose Mujica along with Chavez for the one-day Mercosur meeting in Brasilia.

August 1, 2013 - The president's of the Mercosur countries lifts Paraguay's suspension after the inauguration of Paraguay's new president in August.