Mexico

The entry into force of USMCA and the agri-food sector.

Mexico City
July 27, 2020

Lydia Antonio
Director General of Trade Agreements’ Monitoring, Administration and Compliance Oversight

Integración comercial y productiva para el bienestar

ECONOMÍA
SECRETARÍA DE ECONOMÍA
CONTENTS

I. FROM NAFTA TO USMCA

II. USMCA AGRICULTURE CHAPTER

III. USMCA CHAPTER ON SANITARY AND PHYTOSANITARY MEASURES

IV. MEXICO – US AND MEXICO – CANADA AGRICULTURAL MARKET

V. WHY CHOOSE MEXICO?

VI. OUTREACH STRATEGY
I. FROM NAFTA TO USMCA
NAFTA created one of the most competitive and dynamic regions in the world

<table>
<thead>
<tr>
<th>NAFTA</th>
<th>Population</th>
<th>GDP</th>
<th>FDI</th>
<th>Trade</th>
<th>Trade (Intra)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>493 Million people</td>
<td>$26 Trillion dollars</td>
<td>$323 Billion dollars</td>
<td>$6 Trillion dollars</td>
<td>$1.2 Trillion dollars</td>
</tr>
<tr>
<td></td>
<td>6.5% of world population</td>
<td>18.3% of world GDP</td>
<td>23.1% of world FDI (2018)</td>
<td>15.9% of global trade</td>
<td>20% of the región’s total trade (2019)</td>
</tr>
</tbody>
</table>

Source: IMF, Banco de México, WTO and TradeMap.
Foreign Direct Investment under NAFTA

- USA and Canada account for more than half of total FDI received by Mexico between 1999- March 2020.

1999-March 2020: 589 B
- From the US: 277 B
- From Canada: 41 B

NAFTA FDI to Mexico
1999- March 2020

Source: SE/DGIE

- Billion Dollars

- USA
- Canada
- Rest of the world
NAFTA trade

Mexico- NAFTA Trade
(Billion dollars)

Average annual growth rate 19/93: 7.5%

Source: Banco de México.
FDI received from NAFTA region by sector

FDI Accumulated 1999-March 2020, Canada and USA (U.S. millions)

- 20,000 40,000 60,000 80,000 100,000 120,000 140,000 160,000

Manufacturing industries 46.8%
Financial services and... 20,000
Commerce 40,000
Mining 60,000
Accommodation services 80,000
Transports, mail ans storages 100,000
Real state services 120,000
Information and massive media 140,000
Construction 160,000
Business support services
Professional services
Electric power generation and...
Agriculture
Others 318,957 U.S. millions
Lesisure services, cultural and...
Educative services
Health services
Source: DGIE/SE.
In 2019, Mexico was the U.S. Top Trading Partner
(614.5 billion in goods, surpassing Canada and China)

Source: Secretaria de Economía with data from the U.S. Census Bureau.
Mexico is a Relevant Actor in International Trade

Mexico has 13 FTAs with 50 countries which account for two thirds of world GDP, and a billion consumers.

North America platform

Investment promotion and protection

Diversification /billion consumers

To support foreign investor rights Mexico has a network for FTA and 29 BITs with 30 countries
Foreign Trade: Engine of Mexico’s Economic Growth

Sources: IMF, INEGI and WTO.
<table>
<thead>
<tr>
<th>Chapter Title</th>
<th>10 New Chapters</th>
<th>24 Modernized Chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Initial Provisions and General Definitions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. National Treatment and Market Access for Goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Rules of Origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Origin Procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Textiles and Apparel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Customs and Trade Facilitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Energy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Sanitary and Phytosanitary Measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Trade Remedies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Technical Barriers to Trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Sectoral Annexes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Government Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Cross-Border Trade in Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Temporary Entry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Financial Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Telecommunications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Digital Trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Intellectual Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Competition Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. State-Owned Enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Labor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. Small and Medium-sized Enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Competitiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27. Anticorruption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Good Regulatory Practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Publication and Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. Dispute Settlement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Exceptions and General Provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33. Macroeconomic Policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34. Final Provisions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
✓ Certainty for North American trade and investment, while favoring regional value chains’ integration.

✓ Its commitment to maintaining free trade in a global context of rising protectionism.

✓ A source of economic growth and high quality jobs.

✓ An opportunity to develop a more competitive export platform, through the use of tools and technologies associated to the digital economy.
USMCA opportunities

✓ Stricter Rules of Origin for the automotive sector
✓ Digital Economy
✓ More inclusive trade SMEs, Labor, Environment, Anticorruption
USMCA opportunities

**USMCA** will be a key factor in the **economic recovery** of the three countries as it will contribute to:

- strengthen the productive integration of North America,
- incorporate more value-added in the region,
- boost new regional value chains in North America to replace imports from outside the region.
Customs Administration and Trade Facilitation

Objective:
To facilitate and streamline goods’ clearance at customs and to make administrative processes transparent

Costs reduction from customs operations

Section A: Trade facilitation measures

Section B: Cooperation and Enforcement

USMCA CHAPTER 7
New USMCA chapter
Technical Barriers to Trade

**Objective:**

The Chapter seeks to ease trade of goods among parties by preventing, avoiding and eliminating technical barriers to international trade that are unnecessary or have no justification.

**Main Provisions**

- Foresees that North American countries will increase cooperation and transparency regarding norms, technical guidelines and conformity assessment procedures adopted in their territories.

- Establishes commitments so that parties ensure that their technical guidelines regarding labeling do not create unnecessary barriers to regional trade.
Environment

ENVIRONMENT COOPERATION AND CUSTOMS VERIFICATION AGREEMENT to guarantee legality of flora and fauna products between Mexico and the U.S.

• Commitment to effectively enforce seven multilateral environment agreements

• Protection against harmful substances for the ozone layer, keeping air quality and address ship pollution

• Commitments to prevent illicit flora and fauna trade and marine litter.

• Sustainable use of biodiversity, fisheries and forest management

• Incentives to adopt and implement best voluntary practices of corporative social responsibility
The chapter recognizes the fundamental roles SMEs play in keeping trade dynamism and competitiveness for the parties.

**Main Provisions**

- Promotes cooperation to create spaces and ease SME's development
- Seeks to increase SMEs participation in regional trade and investment flows
- Creates incentives for their incorporation to GVCs
The chapter expressly acknowledges the North American region, in order to increase production and competitiveness of the region’s countries.

**Main provisions:**

- Establishes a Competitiveness Committee composed of each party’s government representatives which will become a forum to discuss and develop cooperation activities to support a solid economic environment, to foster production, investments and to facilitate trade in North America, based on a work plan.

- The Committee will make recommendations to the Free Trade Commission on how to improve competitiveness in North America, including SME’s participation.
II. USMCA AGRICULTURE CHAPTER
The USMCA Agriculture Chapter (3) expands and improves market access for Mexican agricultural products.

- **Preserves** tariff-free market access to agricultural products
- **Reaffirms** commitment to eliminate export subsidies
- **Ensures** non-discriminatory treatment for seasonal products
- **Improves** food safety **standard**
- **Includes rules to address all biotechnologies**, including new technologies such as gene editing, to support 21st century innovations in agriculture.
Article 3.3: International Cooperation. The Parties shall work together at the WTO to promote increased transparency and to improve and further develop multilateral disciplines on market access, domestic support, and export competition.

Committee on Agricultural Trade address trade issues or barriers/improve market access, exchange of information, promote cooperation for rural development, technology, R&D and capacity building

Annex 3-A applies to trade in agricultural goods Canada - United States.

Annex 3-B applies to trade in agricultural goods Mexico - United States.

Annex 3-C applies to trade in distilled spirits, wine, beer, and other alcohol beverages.

Annex 3-D applies to proprietary formulas for prepackaged foods and food additives.
III. USMCA CHAPTER ON SANITARY AND PHYTOSANITARY MEASURES
| Objective: to protect human, animal, or plant life or health in the territories of the Parties while facilitating trade between them |
| Ensure that sanitary or phytosanitary measures implemented by a Party do not create unnecessary barriers to trade |
| Encourage the development and adoption of science-based international standards, guidelines, and recommendations, and promote their implementation by the Parties. |
| The Parties recognize the importance of ensuring that their respective sanitary and phytosanitary measures are based on scientific principles. |
Mexico is a key market for U.S. states’ exports
U.S. exports by State, 2019

Mexico is the largest export market for 7 U.S. states

Mexico is the second largest export market for 19 U.S. states

Mexico is the third largest export market for 3 U.S. states.

Source: Secretaria de Economía with data from the U.S. Census Bureau.
We produce together to compete globally

38% U.S. content in Mexican auto exports to the U.S.

<table>
<thead>
<tr>
<th>Mexico exports to the U.S.</th>
<th>Product HS4</th>
<th>Amount</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td>35.0 B</td>
<td>10.1%</td>
<td></td>
</tr>
<tr>
<td>Computers</td>
<td>26.4 B</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td>Autoparts</td>
<td>24.7 B</td>
<td>7.1%</td>
<td></td>
</tr>
<tr>
<td>Trucks</td>
<td>22.8 B</td>
<td>6.6%</td>
<td></td>
</tr>
<tr>
<td>Crude oil</td>
<td>14.2 B</td>
<td>4.1%</td>
<td></td>
</tr>
<tr>
<td>Insulated wire</td>
<td>11.4 B</td>
<td>3.3%</td>
<td></td>
</tr>
<tr>
<td>Phones/cellphones</td>
<td>10.5 B</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Televisions</td>
<td>9.0 B</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>Tractors</td>
<td>8.6 B</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Seats</td>
<td>7.0 B</td>
<td>2.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The U.S. exports to Mexico</th>
<th>Product HS4</th>
<th>Amount</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>27.9 B</td>
<td>10.5%</td>
<td></td>
</tr>
<tr>
<td>Autoparts</td>
<td>17.0 B</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>Accesories/computers</td>
<td>11.7 B</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Low cost shipments</td>
<td>7.4 B</td>
<td>2.8%</td>
<td></td>
</tr>
<tr>
<td>Integrated circuits</td>
<td>6.9 B</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>5.4 B</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>Computers</td>
<td>5.1 B</td>
<td>1.9%</td>
<td></td>
</tr>
<tr>
<td>Diesel motors</td>
<td>4.5 B</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Electric switches</td>
<td>4.4 B</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Phones/cellphones</td>
<td>4.4 B</td>
<td>1.6%</td>
<td></td>
</tr>
</tbody>
</table>

Millions of U.S. Dollars
IV. MEXICO-U.S AGRICULTURAL MARKET
Mexico is a key market for U.S. states’ agricultural exports

- Mexico is the largest agro export market for 10 U.S. states
- Mexico is the second largest agro export market for 16 U.S. states
- Mexico is the third largest agro export market for 6 U.S. states.

Source: Secretaria de Economía with data from the U.S. Census Bureau.
Mexico – U.S. agricultural trade

Average annual growth rate 1993: **7.7%**

Source: Secretaria de Economía with data from the Foreign Agricultural Service, USDA.
Mexico became the U.S. Top Trading Partner in agricultural products

In 2019 the U.S. and Mexico traded over **47.5 billion** dollars in agricultural goods.

- **Mexico**
  - U.S. Exports: $19 B, 14%
  - U.S. Imports: $28 B, 23%

- **Canada 2019**
  - U.S. Exports: $21 B, 15%
  - U.S. Imports: $24 B, 18%

- **China**
  - U.S. Exports: $14 B, 10%
  - U.S. Imports: $4 B, 4%

Source: Secretaría de Economía with data from the Foreign Agricultural Service, USDA.
Mexico - US agricultural trade is complementary

While the U.S. exports to Mexico meat, dairy and cereals, Mexico provides fresh fruit and vegetable products to the U.S.

<table>
<thead>
<tr>
<th>Mexico exports to the U.S.</th>
<th>Amount*</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh fruit</td>
<td>6,933</td>
<td>24%</td>
</tr>
<tr>
<td>Fresh vegetables</td>
<td>6,288</td>
<td>21%</td>
</tr>
<tr>
<td>Wine &amp; Beer</td>
<td>3,953</td>
<td>13%</td>
</tr>
<tr>
<td>Snack foods</td>
<td>2,346</td>
<td>8%</td>
</tr>
<tr>
<td>Processed fruit &amp; vegetables</td>
<td>1,842</td>
<td>6%</td>
</tr>
<tr>
<td>Red meats</td>
<td>1,373</td>
<td>5%</td>
</tr>
<tr>
<td>Other consumer oriented products</td>
<td>1,252</td>
<td>4%</td>
</tr>
<tr>
<td>Live animals</td>
<td>886</td>
<td>3%</td>
</tr>
<tr>
<td>Tree nuts</td>
<td>730</td>
<td>2%</td>
</tr>
<tr>
<td>Fruit &amp; vegetable juices</td>
<td>419</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The U.S. exports to Mexico</th>
<th>Amount*</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>2,730</td>
<td>14%</td>
</tr>
<tr>
<td>Soybeans</td>
<td>1,878</td>
<td>9%</td>
</tr>
<tr>
<td>Dairy products</td>
<td>1,546</td>
<td>8%</td>
</tr>
<tr>
<td>Pork</td>
<td>1,278</td>
<td>6%</td>
</tr>
<tr>
<td>Beef</td>
<td>1,107</td>
<td>6%</td>
</tr>
<tr>
<td>Poultry</td>
<td>1,077</td>
<td>5%</td>
</tr>
<tr>
<td>Other intermediate products</td>
<td>941</td>
<td>5%</td>
</tr>
<tr>
<td>Wheat</td>
<td>812</td>
<td>4%</td>
</tr>
<tr>
<td>Prepared foods</td>
<td>777</td>
<td>4%</td>
</tr>
<tr>
<td>Forest products</td>
<td>709</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Millions of dollars
Source: Secretaría de Economía with data from the U.S. Census Bureau. (2019 data)
Mexico – NAFTA agri-food trade

Source: SADER
IV. MEXICO-CANADA AGRICULTURAL MARKET
Motor vehicles and parts are the most important sector to Canadian exports to Mexico (24%); and the second sector is farm, fishing, and intermediate food products (15%).

Mexico is the third destiny for Ontario’s exports and fourth of Alberta and Manitoba.

In Sector of the farm, fishing, and intermediate products exported to Mexico:

- Saskatchewan 91.31%
- Manitoba 52%
- Alberta 24%
- Newfoundland & Labrador 7.90%
- British Columbia 3.10%
- New Brunswick 1.54%

Ontario was Mexico’s primary provincial trading partner, capturing almost three quarters (72.83%) of total bilateral trade, followed by Quebec (8.71%), Alberta (6.17%), and British Columbia (5.67%).
## Mexico – Canada Agri-food Trade

Canada exports to Mexico Oils, grains and seeds, Mexico provides fresh fruit, vegetable and beverages to Canada.

### Mexico exports to Canada

<table>
<thead>
<tr>
<th>Product</th>
<th>Amount*</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edible fruit and nuts; peel of citrus fruit or melons</td>
<td>305,755</td>
<td>39%</td>
</tr>
<tr>
<td>Beverages, spirits and vinegar</td>
<td>89,044</td>
<td>11.4%</td>
</tr>
<tr>
<td>Sugars and sugar confectionery</td>
<td>69,278</td>
<td>8.9%</td>
</tr>
<tr>
<td>Preparations of cereals, flour, starch or milk; pastry cooks' product</td>
<td>63,620</td>
<td>8.1%</td>
</tr>
<tr>
<td>Cocoa and cocoa preparations</td>
<td>55,330</td>
<td>7.1%</td>
</tr>
<tr>
<td>Edible vegetables and certain roots and tubers</td>
<td>53,413</td>
<td>6.8%</td>
</tr>
<tr>
<td>Meat and edible meat offal</td>
<td>39,010</td>
<td>5%</td>
</tr>
<tr>
<td>Miscellaneous edible preparations</td>
<td>37,760</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

### Canada exports to Mexico

<table>
<thead>
<tr>
<th>Product</th>
<th>Amount*</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal</td>
<td>394,694</td>
<td>31.9%</td>
</tr>
<tr>
<td>Meat and edible meat offal</td>
<td>308,274</td>
<td>24.9%</td>
</tr>
<tr>
<td>Cereals</td>
<td>206,427</td>
<td>16.7%</td>
</tr>
<tr>
<td>Animal or vegetable fats and oils and their cleavage products; prepared edible fats</td>
<td>77,817</td>
<td>6.3%</td>
</tr>
<tr>
<td>Products of the milling industry; malt; starches</td>
<td>58,530</td>
<td>4.7%</td>
</tr>
<tr>
<td>Cocoa and cocoa preparations</td>
<td>54,383</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

*Thousand of USD  
Source: Secretaría de Economía with data from ITC (2019 data)
Canada total trade- top countries, 2019
Agriculture, forestry, fishing and hunting

Source: Secretaria de Economía with data from Statistics Canada include: code 11 NAICS: agriculture, forestry, fishing and hunting
Mexico - Canada
Farm, fishing, and intermediate food products

Average annual growth rate 19/97: 20%

Sources: Secretaría de Economía with data from Statistics Board of Governors of the Federal Reserve System (US), Canada / U.S. Foreign Exchange Rate.
Beer and spirits

• US was the 1st destination of Mexican beer (2019).
• Mexico was the 1st largest source of beer imports from US (2019).
• US imports represent 35.1% of world imports for this product, its ranking in world imports is 1.
• Canada imported 371,075 tons of malt beer in 2019.
• Canada was the 4th destination of Mexican beer (2019).
• Mexico was the 2nd largest source of beer imports from Canada (2019).

• US was the 1st destination of Mexican alcoholic spirituous beverages (2019).
• Mexico was the 1st source of spirituous beverages imports from US (2019).
• Canada was the 4rd destination of Mexican spirituous beverages (2019).
• Mexico was the 1st source of spirituous beverages imports from Canada (2019).
Avocados, tomatoes

- Mexico was 1st exporter of avocados, which represented 42.9% of world exports for this product, in 2019.
- Mexico was the 1st source of avocado imports from US (88.2% in 2019).
- Mexico was the 1st source of avocado imports from Canada (94.1%, in 2019).

- Mexico was 1st exporter of tomatoes. Its exports represented 23.8% of world exports for this product, in 2019.
- US was the 1st destination of Mexican tomatoes (2019).
- Mexico was the 1st source of tomatoes imports from US (85.8%, in 2019).
- Mexico was the 1st source of tomatoes imports from Canada (69.5%, in 2019).
Berries

• Mexico was 2nd exporter of fresh raspberries, blackberries, mulberries and loganberries. Its exports represented 18.5% of world exports for this product, in 2019.

• Mexico was the 1st source of fresh berries imports from US (99.2%, in 2019).

• Mexico was the 1st source of raspberries, blackberries, mulberries and loganberries imports from Canada (65.1%, in 2019).
V. WHY CHOOSE MEXICO?
1. Mexico: 7th largest exporter in the world and 1st in Latin America

USMCA and other 12 FTAs with 48 countries connect the Mexican economy to more than 1.3 billion consumers (60% of the world’s GDP)
According to the WEF, Mexico ranks among the top 30% countries with best transport infrastructure.

2. Mexico offers a solid infrastructure and logistics network

- **172,000 km** roads, where 62.4% of México’s total exports move.
- **27,000 km** railway tracks, move 13% of Mexico’s total exports
- **117 Ports** move 19.7% of Mexico’s total exports
- **76 Airports** (64 int. + 12 nat.) move 4.3% of Mexico’s total exports

Source: Secretaría de Economía with data from INEGI.
3. Strategic location and competitive logistic costs

### Low shipping costs

<table>
<thead>
<tr>
<th>Destination</th>
<th>Mexico</th>
<th>China</th>
<th>India</th>
<th>Brasil</th>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>5</td>
<td>32</td>
<td>25</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>4</td>
<td>18</td>
<td>31</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>16</td>
<td>32</td>
<td>20</td>
<td>17</td>
<td>33</td>
</tr>
<tr>
<td>Yokohama</td>
<td>19</td>
<td>4</td>
<td>17</td>
<td>35</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: The Boston Consulting Group in De la Madrid (2014)

More than 50 ports of entry between the U.S. and Mexico
4. Mexico has a diverse and innovative industrial platform

With more than $\frac{2}{3}$ of its exports in high complexity sectors, Mexico ranks as the 19th most complex economy.

**Industry share of Mexican exports by economic complexity, 2018**

- **Vehicles**: 23%
- **Machinery**: 20%
- **Electronics**: 20%
- **Agriculture**: 8%
- **Services**: 6%
- **Minerals**: 6%
- **Textiles**: 4%
- **Chemicals**: 4%
- **Metals**: 3%
- **Stone**: 2%

5. Internet connectivity and broadband access supports 4th IR, IOT, digital economy

Mexico is third in mobile broadband subscriptions within OECD

- United States: 490
- Japan: 223
- Mexico: 92
- Germany: 71
- United Kingdom: 67
- Turkey: 61
- France: 61
- Korea: 59
- Italy: 53
- Spain: 47
- Poland: 43
- Australia: 36
- Canada: 29
- Colombia: 26
- Netherlands: 20
- Chile: 18

- 74% mobile penetration rate
- 17% annual growth in past 5 years
- 92M mobile broadband subscribers
6. Young, competitive and skilled workforce

Economically active population in Mexico by age, Q1 2020

- 14 - 19: 6%
- 20 - 29: 22%
- 30 - 49: 45%
- 50 - 59: 16%
- 60 +: 10%

Source: INEGI

Share of graduates come from engineering programs, 2017

- Mexico: 17%
- India: 12%
- Brazil: 12%
- South Africa: 8%
- Indonesia: 7%

Source: UNESCO
VI. OUTREACH STRATEGY
Outreach strategy

Total sessions reach:

- **USMCA – CPTPP Seminar**: Trade Opportunities in North America and the Transpacific Region
- **National USMCA Awareness Campaign** to explain, in each state, the opportunities the new Agreement presents
- Series of webinars in the United States and Canada to communicate the advantages of doing business with Mexico
- **Reporte T-MEC** publication
- **USMCA Help Center**

*Facebook and YouTube plays up to June 22, 2020*
BIENVENIDO al Centro de Consulta T-MEC

Aquí podrá consultar sobre las disposiciones y las oportunidades comerciales derivadas del acuerdo www.gob.mx/t-mec

Para nosotros es muy importante apoyarle

Entre más detallada sea la información que nos proporcione más pronto podremos atender su consulta. Para más información favor de contactarnos.

It is very important for us to help you

To the extent that you provide us with more detailed information about your inquiry, we will be able to provide you with an answer sooner. For more information please reach out.

México
consultatmec@economia.gob.mx

United States
usmcadesk@economia.gob.mx

Canada
cusmadesk@economia.gob.mx
Where to find USMCA texts?

USMCA’s full text is available at Secretaria de Economia’s website

- **USMCA Chapters**

- **Protocol of Amendment**

- **Free Trade Commission’s First Decision**
Thank you!

Lydia Antonio

lydia.antonio@economía.gob.mx