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| **Mexico’s Bogor Goals Progress Report (as at 30 September 2016)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* Changes in tariffs in both directions. Overall, the single average MFN tariff went down in recent years.
* Tariff rate quotas remain for some agricultural products. Import requirements are in place for several reasons.
* Integration of regulatory proceedings and competition assessments to promote competition in the telecommunications sector.
* Recent reforms allow the participation of foreign investors in specific areas related to the exploration and production of hydrocarbons and the generation, transmission and distribution of electricity.
* Some specific trade concerns have been raised recently regarding sanitary and phytosanitary matters and technical regulations at the WTO.
* Recent changes in the modernization of customs procedures.
* Reforms in competition policy to guarantee free market participation and competition.
* Further improvements in the implementation of Regulatory Impact Assessments.

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|   | **Summary of Topics** |

**Tariffs**

The simple average MFN tariff went down from 7.5% to 7.1% between 2014 and 2016. In 2015, tariffs were increased for 97 tariff lines in the steel sector. This measure was extended for 180 additional days on 4 April 2016.

On 6 January 2016, amendments were published in the TIGIE (Tarifa de la Ley de los Impuestos Generales de Importación y Exportación) aimed to create certain tariff codes; to modify certain descriptions and classify specific environmental goods; and reduce the tariff duties to a level of 5% for environmental goods. Also, specific tariff codes and descriptions concerning the footwear industry were modified, in order to better identify them during the import operation. Additional amendments were published on 10 May 2016 creating and removing tariff codes related to the textile and apparel industry.

**Non-Tariff Measures**

During the period 2015-2016, regulations were issued or amended to control imports and exports of specific products such as petroleum, chemicals related to explosives, nuclear materials and weapons, among others.

Actions have been carried out to prevent and combat undervaluation practices in the footwear import market for commercial and statistical monitoring purposes. In this regard, the automatic licensing system for footwear imports remains in effect. Other import controls of specific products continue to be applied for several reasons such as commitments in international organizations, environmental issues, to protect human and animal health and prevent unfair trade practices (i.e. underpricing). Similarly, export control regulations are still in place to meet international commitments, to protect human and animal health and to protect the environment. Export licenses to administer sugar exports were also introduced.

**Services**

Following the constitutional reforms in 2013 regarding the telecommunications sector, several changes have been implemented in recent years. In 2014, the process of number portability for mobile phones and landlines was reduced to 24 hours. In 2015, legal provisions to eliminate domestic long distance fees were approved causing a 40% drop in international long-distance rate and a 32% fall in mobile phone call prices between June 2013 and December 2015. As of March 2016 more than 50% of the population had mobile internet service, higher than the 23% of the population that had mobile internet access by mid-2013. In addition, a new free-to-air national TV network that will broadcast digital content will begin operations in 2016.

In the financial sector, reforms in January 2014 aimed to enhance granting credits in better conditions. The following lines of action were incorporated: (i) promoting credit through development banks; (ii) increasing competition in the financial system; (iii) expanding credit to private financial institutions; and (iv) ensuring the sound development of the financial system as a whole.

**Investment**

A major reform on the financial sector was issued in January 2014, which eliminated the limits for foreign investment in insurance and bonding institutions, exchange houses, bonded warehouses, retirement funds management companies, and credit information companies, among other institutions. In addition, the General Rules on Financial Groups were issued on 31 December 2014. These rules establish minimum capital requirements for holding companies, as well as the types of investment these companies can carry out.

New laws on hydrocarbons and the electric industry were issued in August 2014. These laws regulate the participation of the private sector (local and foreign investors) in activities such as the exploration and production of oil and other hydrocarbons, as well as the generation, transmission and distribution of electricity. In addition, the Federal Telecommunications and Broadcasting Law and the Public Broadcasting System Law entered into effect. These laws establish the regulatory framework for the participation of direct foreign investment up to 100% in telecommunications and satellite communications, and up to 49% in the broadcasting sector, subject to reciprocity from the country of the ultimate investor.

Further improvements in the legal framework for FDI includes simplifying requirements for foreign companies to operate in Mexico through a branch or representative office, and simplifying formalities for foreign investors to meet when their operations surpass a threshold defined by the National Commission of Foreign Investments. From now, foreign investments and Mexican companies with foreign equity holdings only have the obligation to renew their registration and to update their information at the National Foreign Investment Registry if their revenue and disbursements quarterly exceed the amount determined by the National Commission of Foreign Investments.

**Standards and Conformance**

Between 2014 and 2015, Mexico published 128 technical regulations. Standards are aligned to international standards to the extent possible. Mexico participates actively in international and regional standardization activities, for example, at the International Electrotechnical Commission (IEC) and the International Standardization Organization (ISO).

By the end of 2015, six specific trade concerns (STC) raised against Mexico at the WTO SPS Committee have not reported a resolution, being the most recent one related to the measures on imports of hibiscus flowers. On the other hand, by the end of 2015, México had raised 10 STC at such Committee, for which a resolution has not been reported, being the most recent one regarding restrictions to Mexican avocado. Similarly, 14 specific trade concerns against Mexico at the WTO TBT Committee have been raised. The most recent trade concern was raised in March 2015 and is related to standards for juices and non-alcoholic beverages.

**Customs Procedures**

Mexico’s Trade Single Window is undergoing reforms, including cloud computing, in order to improve its efficiency and efficacy. The reforms involve new features and improvement of processes, as well as real time interconnection with logistic operators. These reforms facilitate the interoperability amongst single windows of different places, for example, within the Pacific Alliance, which establishes paperless operations such as sharing phytosanitary and zoosanitary certificates. This is first step for interoperability with any single window using an international data standard like those in the World Customs Organization.

By August 2015, Mexico had signed 23 bilateral and two multilateral agreements on customs cooperation. Moreover, Mexico signed in recent years three Mutual Recognition Arrangements regarding Authorized Economic Operators (AEO) programs with Republic of Korea (11 March 2014), the United States of America (17 October 2014) and Canada (11 May 2016) and is carrying out negotiations to sign a MRA with Hong Kong, China; Israel; Costa Rica and the Pacific Alliance. This will contribute to strengthen the security of logistics in the supply chain, increasing competitiveness and encouraging global trade in a secure environment.

**Intellectual Property Rights**

A new Patent Prosecution Highway (PPH) agreement with the IP Offices of the Pacific Alliance members was signed to speed up the patent examination process for applications filed in each one of them, promoting an expeditious granting of intellectual property rights. Also, these offices launched the “terms harmonizer”, which is a list of regionalisms related to products or services for which trademarks are registered, and that are not contained in the Nice Classification. This tool will provide certainty to the IP System users. In addition, cooperation agreements were signed to deepen cooperation with Hong Kong, China.

On June 2016, an amendment to the Industrial Property Law was approved to implement a trademark opposition system, which allows to present an opposition claim if someone considers that a trademark application falls into the prohibitions contained in the Industrial Property Law. This step would match the Mexican IP System with those available in most of the APEC region and will be in force from 30 August 2016.

Mexico is expanding its efforts to participate at the international level in agreements concerning to intellectual property rights. In 2014, Mexico joined the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. In 2015, the Marrakesh Treaty to Facilitate Access to Public Works for Persons Who are Blind, Visually Impaired, or Otherwise Print Disabled was ratified.

**Competition Policy**

The Federal Law on Economic Competition was issued in May 2014. It grants the Federal Commission on Economic Competition and the Federal Telecommunications Institute (IFT) the authority to defend and guarantee free market participation and competition in Mexico. Additionally, Specialized Courts for Economic Competition, Broadcasting and Telecommunications were established on the same year. In 2015, the IFT issued the Regulatory Provisions of the Federal Economic Competition Law for the Telecommunications and Broadcasting Sectors that include detailed rules for the notification and analysis of mergers and acquisitions, implementation of trial-form proceedings, and merger qualification, among other processes. Also, the IFT has implemented competition assessments in various regulatory proceedings including public auctions; grant, renewal and transfer of licenses, authorization of spectrum lease or exchange and multiprogramming; and substantial market power investigations for the determination of preponderant economic agents in the telecommunications and broadcasting sectors.

**Deregulation/Regulatory Review**

The Federal Commission of Regulatory Improvement (COFEMER) has been implementing measures in order to improve Mexico’s regulatory management system. Efforts have been implemented to improve Regulatory Impact Assessments (RIA) and the Federal Registry of Formalities and Services. In 2015, COFEMER signed an agreement with the Ministry of Home Affairs in order to include a perspective on human rights in RIA assessments.

Currently, Mexico is working on the development of a National Single Window, intended to be a single online platform with information of formalities and services at all government levels, allowing citizens to complete requirements online.

**RTA/FTAs**

By the end of 2015, Mexico had 11 RTA/FTAs in place with 46 economies all over the world and 9 Partial Scope Agreements within the framework of the Latin American Integration Association (ALADI)[[2]](#footnote-2). The negotiations of the Trans-Pacific Partnership (TPP) concluded in 2015. The TPP was signed in February 2016.

1. \* This brief report was prepared with information from Mexico’s submission of 2016 APEC Individual Action Plan (IAP) template; the 2015 WTO World Tariff Profiles; the WTO SPS and TBT Information Systems; the OECD Competition and Market Studies in Latin America 2015; and information from the Secretaría de Economía; Servicio de Administración Tributaria; and Diario Oficial de la Federación websites. [↑](#footnote-ref-1)
2. Mexico’s RTA/FTAs and Partial Scope Agreements are the following: Mexico-Paraguay (1983), Mexico-Ecuador (1987), NAFTA (1994), Mexico–Colombia (1995), Mexico-Costa Rica (1995), Mexico-Bolivia (1995), Mexico-Nicaragua (1998), Mexico–Chile (1999), Mexico–EU (2000), Mexico–Israel (2000), Mexico–EFTA (2001), Mexico-Northern Triangle (2001), Mexico-Argentina (2001), Mexico-Cuba (2002), Mexico-Brazil (2003), Mexico–Uruguay (2004), Mexico–Japan (2005), Mexico–Peru (2012), Mexico–Central America (2012), Mexico-Panama (2014). [↑](#footnote-ref-2)