# Mexico

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| **Mexico’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\*** |
|   | **Highlights of Achievements and Areas for Improvement** |

* In recent years, tariffs were reduced for a number of goods. However, tariff increases have affected iron and steel products.
* Average MFN tariffs are higher for agricultural products. Seasonal tariffs applied to some agricultural products.
* Export/Import prohibitions and restrictions are applied to some products.
* Benefits for consumers after opening of telecommunications sector in terms of lower charges and better quality.
* Reforms to attract foreign investments. Restrictions against foreign investors have been reduced in certain sectors.
* Upgrades to the Trade Single Window to improve its reliability and efficiency.
* Changes in trademark registration procedures are incorporating an opposition system for any person/firm to oppose to a trademark registration for valid reasons previous to its registration.
* Amendments to Federal Copyright Laws to improve the protection of intellectual property rights.
* Preferences given to domestic bidders in international tenders conducted at the federal and state levels.
* Mexico continues its efforts to promote regulatory improvements. Changes in Constitution are in place to support regulatory improvements.
* Mexico is negotiating the expansion/improvements of several of its RTA/FTAs.

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|   | **Summary of Topics** |

Tariffs

In the last two years, Mexico has been reduced MFN tariff rates for several products such as machinery, plant and laboratory equipment, mucilages and thickeners, water heaters, machinery for purifying liquids, machinery for crushing earth and stones, microwaves, surveying equipment, and racquets, among others. The simple average MFN tariff reported by Mexico went down to 5.65% in 2016. Nevertheless, average tariffs are still much higher for agricultural products (14.22% in 2016).

Seasonal tariffs are applied to agricultural products such as sorghum, soya beans and safflower seeds, which enter duty-free during certain times of the year, but are charged with a tariff duty of 10% (for sorghum and soya bans) and 15% (for safflower seeds) outside those times.

In October 2015, a temporary import tariff increase on iron and steel products was implemented for 180 days. However, this measure has been subsequently extended until now.

Non-Tariff Measures

Import prohibitions and restrictions are applied to some products. They could be adopted to fight balance of payments imbalances, to control the entry of used goods, to comply with international commitments and to protect the population from security, health and environmental risks. Automatic import licensing is applicable to the imports of iron products, slot machines, textiles and footwear. Chemical products, textiles, live animals and vegetable products are the products more affected by non-automatic import licenses.

Export duties are applicable for two products: bitumen and asphalt and bituminous mixtures. Export prohibitions and restrictions apply to protect morals, security, public order, public health, environment and assets of historical value. Most of the non-automatic export licensing schemes are related to chemical products.

Services

Following the reforms in the telecommunications sector in 2013 promoting competition, consumers have continued to benefit through lower prices and better service quality. Local phone charges fell by 24.3% between the third quarter of 2013 and the second quarter of 2016. During the same period, charges for international long-distance calls and mobile phone calls fell by 40.3% and 36.5%, respectively. In addition, an international public tender was awarded in November 2016 to deploy a wholesale mobile telecommunication network, with the objective of reducing costs for mobile operators and raise the quality of services.

In the financial sector, improvements in the payments systems are facilitating electronic transactions in Mexican pesos and US dollars. Transactions in US dollars can only take place through the electronic payment system authorized by the Mexican Central Bank.

Investment

After the reforms in the hydrocarbon and energy sectors in 2014, Mexico has been able to attract 67 companies from 18 different economies to invest in those sectors. Before the reforms, the only company present in these sectors was owned by the Mexican Government.

Reforms to allow further participation of foreign investors have taken place recently. For example, in June 2017, the limit for foreign investors to participate in the domestic air transportation, air taxi and specialized air transportation sectors went up from 25% to 49%. Despite these improvements, foreign investment caps are still prevalent in a number of businesses, such as airports, supply of airplanes fuel, port operators, shipping companies and broadcasting, among others.

Some measures have been implemented to facilitate investments. A website of legal procedures for foreign investment has been published to carry out legal procedures stated in the Foreign Investment Law and reduce response times, among others. Moreover, a manual of procedures to invest in Mexico was released in March 2017.

Standards and Conformance

On 7 November 2016, the Federal Institute of Telecommunications announced that wired terminal equipment connected to any public telecommunications network has to meet certain technical specifications and follow specific testing methods.

One specific trade concern against Mexico was reported at the WTO TBT Committee in 2016 concerning the definition of certain alcoholic beverages, ethyl alcohol and the existing maximum alcohol strength for spirits. No specific trade concerns have been raised in recent years at the WTO SPS Committee, but four cases reported earlier in this committee against Mexico have not been resolved yet.

Customs Procedures

Upgrades to the Trade Single Window (VUCEM) started in 2016 and have involved the use of new data processing technologies to improve its reliability and efficiency. These improvements are facilitating the issuance of licenses to import footwear, textiles and steel products. Also, automatic notices can be submitted to customs agents during and after the release of goods. Air and rail cargo manifests can be transmitted through the VUCEM and it is expected that the VUCEM implements a similar function for maritime manifests in 2018.

To facilitate Mexicans residing overseas to return home, a specialized website Compatriot Portal (Portal Paisano) was developed, in which common customs procedures can be performed prior to their return to Mexico (for example, money declaration, goods declaration and temporary importation of vehicles).

Intellectual Property Rights

In 2016, the Mexican Institute of Intellectual Property (IMPI) started publishing trademark applications and registrations. Policy changes on trademark registration also were implemented to allow an opposition system in which a person could oppose of a trademark to be registered prior to its registration.

Amendments to the Federal Copyrights Law took place in 2016. The changes allow the use of protected works without paying royalties in specific cases, increase the number of practices that are considered an infringement to copyrights, and include clauses to protect copyrights in televised works.

Competition Policy

The Federal Commission on Economic Competition (COFECE) seeks to prevent and fight anticompetitive practices affecting markets. In 2016, COFEMER analyzed 138 possible mergers and authorized 132 of them; investigated 10 alleged monopolistic practices and collusion cases; sanctioned in 5 cases regarding anticompetitive practices; and issued opinion on 8 draft laws/regulations to ensure competition.

In May 2016, COFECE released a manual with recommendations to promote competition practices in government procurement. The recommendations are aiming to increase participation of firms as much as possible in public procurement, create enough competitive pressure among bidders and avoid collusion.

Government Procurement

There are three types of public tender: 1) domestic tenders, where only Mexicans can participate; 2) international tenders open to bidders from RTA/FTA partners; and 3) open international tenders. The current law gives 15% of margin of preference to domestic bidders for federal tenders. For state tenders, the margin of preference fluctuates between 2% to 15% depending on the state. Other preferences are also given to firms with gender equality practices, firms that employs people with disabilities representing at least 5% of staff, and MSMEs meeting specific production requirements.

Implementation of WTO Obligations

On 26 July 2016, Mexico submitted the instrument of acceptance to the WTO regarding the Trade Facilitation Agreement.

Deregulation/Regulatory Review

On 5 February 2017, reforms in the Mexican Constitution were published in the Official Gazette, including articles concerning regulatory improvements. This constitutional reform paved the way for the Federal Commission on Regulatory Improvement to draft a General Law on Regulatory Improvement. The proposal was submitted to the Congress on 11 December 2017 and was approved by the Lower House on 6 March 2018.

In 2017, the “Presidential Agreement 2x1” was implemented, in which incorporates the need to repeal or abolish two regulatory acts or obligations for each new administrative act expected to be issued.

RTA/FTAs

By the end of 2017, Mexico had 12 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). Mexico is currently negotiating improvements to five trade agreements, including those with NAFTA, European Union, EFTA, Argentina and Brazil. In addition, Mexico is negotiating as part of the Pacific Alliance with associated Pacific Alliance states.

Mexico signed the Comprehensive and Progressive Trans-Pacific Partnership Agreement on 8 March 2018.

1. \* This brief report was prepared with information from Mexico’s submission of 2018 APEC Individual Action Plan (IAP) template; the 2017 WTO Trade Policy Review – Report by the Secretariat – Mexico; the WTO SPS and TBT Information Systems; Secretaría de Comunicaciones y Transportes; Secretaría de Economía; Servicio de Administración Tributaria; Comisión Federal de Competencia Económica; Comisión Federal de Mejora Regulatoria; Instituto Mexicano para la Competitividad; and Diario Oficial de la Federación websites. [↑](#footnote-ref-1)
2. Mexico’s RTA/FTAs and Partial Scope Agreements in force are the following ones: 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); and Pacific Alliance (2016). [↑](#footnote-ref-2)