

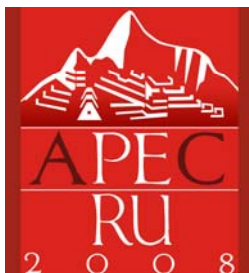


**Asia-Pacific
Economic Cooperation**

2008/SOM3/011anx4
Agenda Item: IV

Presentation by Economy Under Review - Mexico

Purpose: Consideration
Submitted by: APEC Secretariat



**Third Senior Officials' Meeting
Lima, Peru
22-23 August 2008**

Mexico's Individual Action Plan

APEC

Lima, Peru, August 21, 2008

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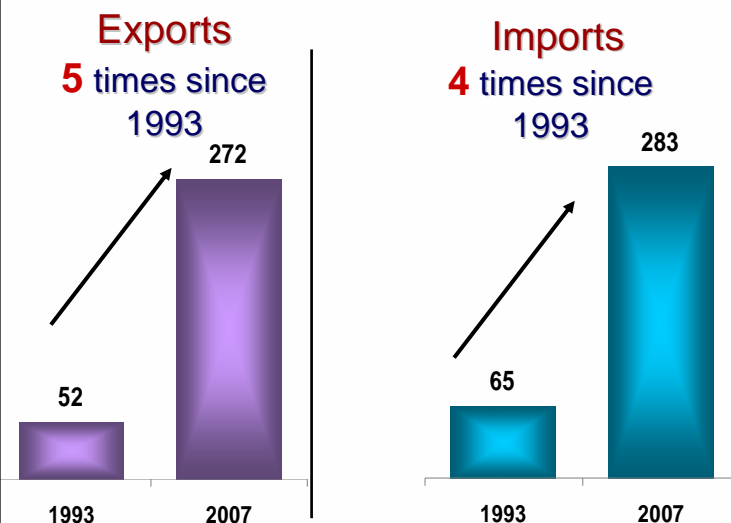
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- II. Importance of APEC for Mexico's economy
- III. Mexican agenda for competitiveness. Agenda for freer and more open trade and investment
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I. Opening up of Mexican Economy

2007



I. Opening up of Mexican Economy

Mexico Exports by Region, 1993-2007

	1993	%	2007	%	Growth 93/07%
Overall	51.7	100	272.1	100	426.3
North America	44.4	85.7	229.9	84.5	417.8
Latin America and the Caribbean	2.9	5.6	18.3	6.7	531.0
Asia and Oceania	1.2	2.3	7.5	2.8	525.0
Europe	2.9	5.7	14.7	5.4	406.9

I. Opening up of Mexican Economy



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Mexico Imports by Region, 1993-2007

	1993	%	2007	%	Growth 93/07
Overall	65.3	100	283.2	100	333.7
North America	46.5	71.2	148.5	52.4	219.4
Latin America and the Caribbean	2.6	3.9	15.9	5.6	511.5
Asia and Oceania	7.6	11.6	79.7	28.1	948.7
Europe	8.5	13.1	36.5	12.9	329.4

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II. Importance of APEC for Mexico's economy



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- ✓ **Size of the economic relationship of Mexico with APEC**
- ✓ 85% of Mexico's total trade takes place with APEC economies. In 2007, it amounted to US\$468 billion
 - Among the top 10 trading partners, 6 belong to APEC
- ✓ APEC's share in the direct investment that Mexico has received since 1999 is 62%. In 2007, it reached US\$113.2 billion
- ✓ Global chains of production. Some economies have become important suppliers of intermediate goods that are incorporated into the Mexican production to later be exported, in sector of high value added.

Agenda for Competitiveness

1. Review and simplification of the tariff structure
2. Review and simplification of NTMs
3. Optimize international trade procedures through the use of ITC. Single Window
4. Trade and Investment Promotion
5. Deregulation and Competition
6. Upgrade the industrial, agricultural and services sectors
7. Infrastructure investment



Mexican Tariff Structure

	2001	2007
Bound tariff		39.3
Simple average tariff	16.3	11.6
Weighted average tariff	3.99	0.96

- ✓ Further improvements
 - Reduce tariffs unilaterally
 - Reduce dispersion
 - Reduce discrepancies
 - Review Sectoral Programs



III. Agenda for freer and more open trade and investment

Non Tariff Measures



- ✓ March 2008, decree to eliminate NTM, such as:
 - “Precios estimados”
 - Register of importers
 - Individual identification of goods
 - Certificates of Origin related to Countervailing Measures

III. Agenda for freer and more open trade and investment

Customs Procedures



- ✓ Paperless trading
- ✓ More documents and procedures can be done electronically
- ✓ Mexico fully applies the 2007 version of the HS
- ✓ Risk Management Techniques
- ✓ Integrity
- ✓ Single Window

III. Agenda for freer and more open trade and investment

Investment



- ✓ Only 17 out of 754 economic activities restricted to FDI
- ✓ Mexico grants National Treatment and Most Favored Nation Treatment under FTAs and BITs.
- ✓ Mexico provides protection in case of expropriation, strife, and grants the rights for free transfer.
- ✓ Performance requirements prohibited.
- ✓ More procedures can be made by internet.
- ✓ PROMEXICO has been recently created responsible for exports and investment promotion.

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III. Agenda for freer and more open trade and investment

Deregulation and Competition



- ✓ 2007, Mexico and the OECD signed an agreement to conduct a special project called “**Process for the Strengthening of the Regulatory Framework for Competitiveness**”
- ✓ “**Proceso Marco**” strengthens the advocacy role of the competition and regulatory improvement authorities in Mexico.

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III. Agenda for freer and more open trade and investment



- Upgrade the industrial, agricultural and services sectors
- Infrastructure Investment

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III. Agenda for freer and more open trade and investment

Services

Strategy:

- ✓ Mexico is giving strong emphasis to the service sector as part of a strategy for increasing national competitiveness.
- ✓ Mexican policy on services is characterized by continued liberalization process and support to the multilateral trading system (WTO).

Concrete Actions:

- ✓ Mexico continues strengthening the financial sector and infrastructure for telecommunications. Both sectors have shown an increasing dynamism in the last decade.
- ✓ Mexico is looking for more liberalization in other dynamic sectors like services related to information technology, movement of persons, construction, architecture, distribution and maritime transportation.
- ✓ Is supporting elimination of the exemptions to Most Favoured Nation principle of the GATS within the WTO benefiting APEC Economies.

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III. Agenda for freer and more open trade and investment

Standards and Conformance

- ✓ Mexico has achieved 60% of total/partial concordance with international standards.
- ✓ Mexico has maintained an active participation in the international standardizing bodies (ISO, CODEX, IEC).

Government Procurement

- ✓ COMPRANET



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III. Agenda for freer and more open trade and investment

Rules of Origin

- ✓ Mexico will continue its participation on the Committee in the ongoing harmonization of non-preferential rules of origin in the WTO/WCO with the aim of concluding these negotiations in the short term.

Intellectual Property Rights

- ✓ Public awareness activities and campaigns related to enforcement of IPR.
- ✓ Strengthening protection of intellectual property rights and addressing the international commitments.



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Dispute Mediation



- ✓ Mexico follows an approach to dispute mediation that is consistent with the Osaka Action Agenda, as well as its rights and obligations under the WTO, with the objective of resolving disputes in an effective, transparent, equitable and reasoned manner.
- ✓ Mexico has acceded to international treaties governing or related to international commercial arbitration.

Mobility of Business People



- ✓ APEC Business Travel Card (ABTC).
- ✓ Business visas.
- ✓ Regional Movement Alert System (RMAS).

III. Agenda for freer and more open trade and investment

Free Trade Agreements / Regional trade Agreements



- ✓ Deepen Mexico's economic ties with current FTA partners.
- ✓ Seeking new formulas for RTAs/FTAs:
 - Convergence
 - Cummulation of origin
- ✓ Negotiation of further FTAs.

IV. Challenges ahead

