



**Asia-Pacific
Economic Cooperation**

2017/SOM1/CTI/SEM1/006

Participation in e-Commerce Agreements / Arrangements: Mexico's Experience

Submitted by: Mexico



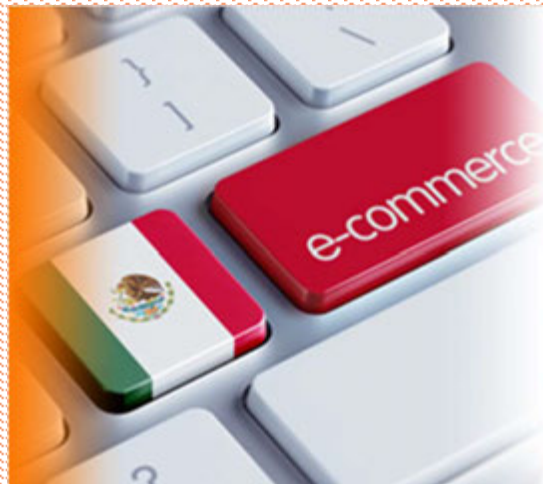
**Capacity Building Needs Initiative Seminar on
Electronic Commerce Chapter of the Regional
Trade Agreements and Free Trade Agreement
Nha Trang, Viet Nam
22 February 2017**



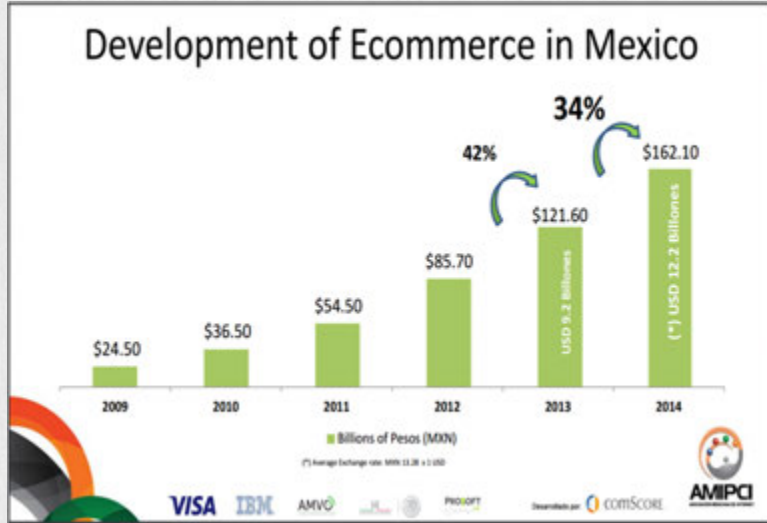
***APEC Capacity Building Needs Initiative (CBNI)
Seminar
on Electronic Commerce Chapter of the RTAs/FTAs***

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Director of International Trade of Services and Investment
Ministry of Economy-Mexico

February 22, 2017



Estimated market value of e-commerce in Mexico 2015

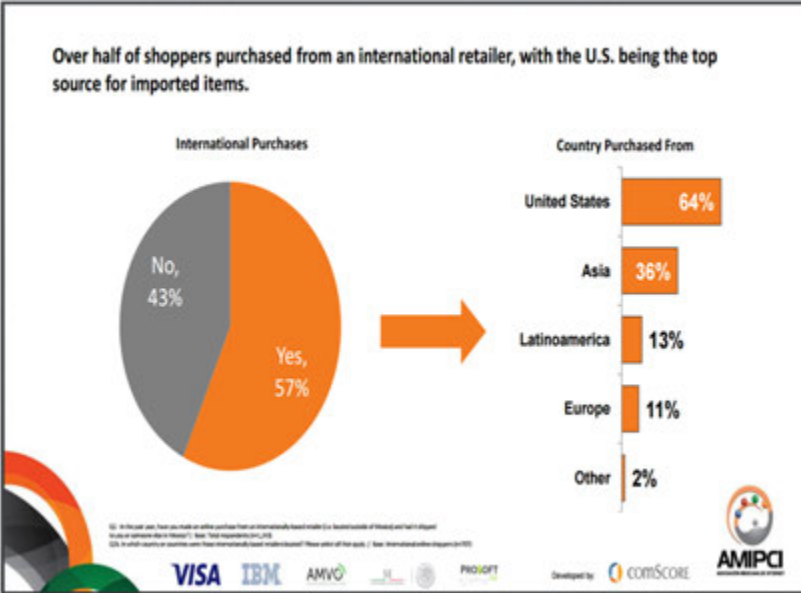


E-Commerce is growing in Mexico, in 2014 grew 34%:

- Three-quarters of online Mexicans are online purchasers based on reported purchase activity from January to March 2015.
- Consumers aged 18 to 34 years bought more digital content than those of 35 years or more.

Source: Asociación mexicana de internet (AMIPCI), Study of E-commerce in Mexico 2015. https://amipci.org.mx/estudios/comercio_electronico/Estudio_de_Comercio_Electronico_AMIPCI_2015_version_publica.pdf

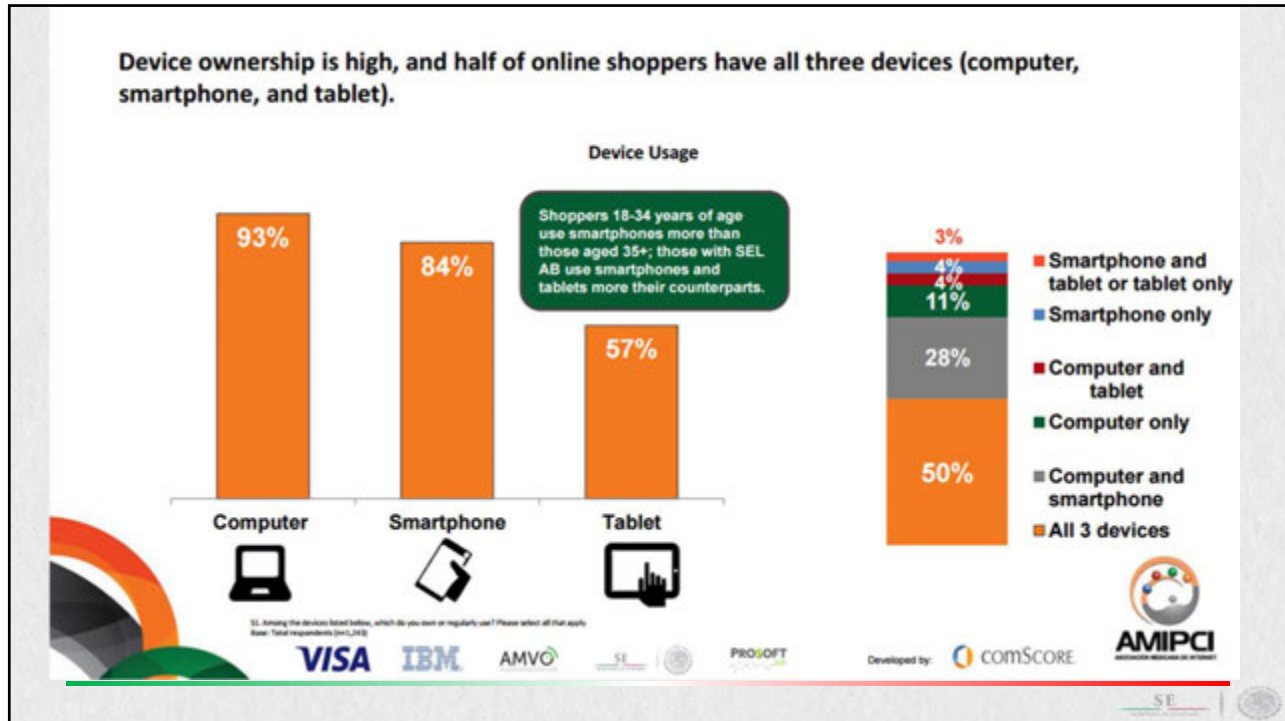
ONLINE SPENDING



The three top categories purchased online were Apparel & Accessories, Digital Downloads, and Event Tickets (excluding travel).

Average quarterly spending across all devices and non-travel categories was USD \$300 dollars approximately USD \$100 dollars spent online per month.

Source: Asociación mexicana de internet (AMIPCI), Study of E-commerce in Mexico 2015. https://amipci.org.mx/estudios/comercio_electronico/Estudio_de_Comercio_Electronico_AMIPCI_2015_version_publica.pdf



Evolution of E-commerce in Mexico

- Funding payments from a bank account (Credit Card, Debit Card, PayPal, MercadoPago, SafetyPay and Bank Transfer) are the most used in Mexico.
- Buyers are highly satisfied with shopping both online and in a physical store.
- Security concerns are the leading reason for not storing information with online retailers.
- Seven out of ten e-tails have some type of risk analysis/prevention tool or service.

Source: Asociación mexicana de internet (AMIPCI), Study of E-commerce in Mexico 2015.
https://amipci.org.mx/estudios/comercio_electronico/Estudio_de_Comercio_Electronico_AMIPCI_2015_version_publica.pdf

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GENERATION AGREEMENTS

According to Mexico's National Plan of Development 2013-2018 (PND), policies and programs should be based on a close and modern government for the Mexicans. For that purpose, the government has established a **National Digital Strategy** (EDN, as per its acronym in Spanish) to promote the adoption and development of ICTs, transparency, accountability and to increase the digitization of Mexico.

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Benefits of National Digital Strategy



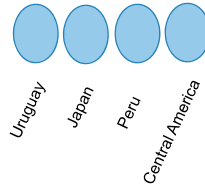
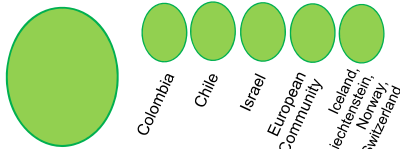
- It is consistent with new generation agreements on E-commerce.
- It supports and promotes digital innovation, quality banking services and logistics for e-commerce companies.
- It contributes to the growth of SMEs and promotes their internationalization through e-commerce and the use of ICTs.
- It seeks to boost investment and financing in e-commerce, e.g. The National Institute of Entrepreneurship (INADEM for its acronym in Spanish) has a fund for entrepreneurs to encourage innovation initiatives in strategic sectors.

To know more about National Digital Strategy <http://www.gob.mx/mexicodigital/>

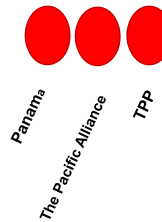
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MEXICO: At the forefront of trade policy

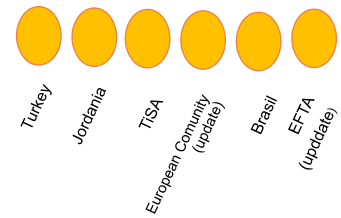
NAFTA 1994



FTAs recently concluded



FTAs in negotiation



Preferential access to **46** countries
58% World GDP* | **53%** global trade
1,150 millions potential consumers



Consolidation of preferences
 with FTAs partners and access to
9 new markets

International Agreements: 12 FTAs | 30 Bilateral Investment Treaties
6 Economic Complementation Agreements | 3 Partial Preferential Agreements.

* Source: WTO (International Trade and Market Access Database, abril 2015) & FMI (World Economic Outlook abril 2015).

Mexico Trade Agreements Network


FTAs: Chapters of services and related to them	NAFTA	Mexico -Chile	Mexico Colombia	Mexico European Union	México EFTA	Mexico- Central America	Mexico - Uruguay	Mexico - Japón	Mexico- Peru	The Pacific Alliance	Mexico – Panama	TPP*
Cross-Border Trade In Services	▪ C	▪ C	▪ C	▪ C	▪ C	▪ C	▪ C	▪ C	▪ C	▪ C	▪ C	▪ C
Financial Services	C		C	C	C	C		C	C	C	C	C
Telecommunications	C	C	C			C	C			C	C	C
Temporary Entry for Business Persons	C	C	C			C	C	C	C		C	C
Maritime Transport				C	C					C		
Air Transport		C										
E-Commerce						C				C	C	C

Source: Ministry of Economy.-Mexico
<http://www.sob.mx/se/acciones-y-programas/comercio-exterior/paises-con-tratados-y-acuerdos-firmados-con-mexico?state=publicidad>

Notes:
 *C" means that the FTA contains a **chapter**.
 The EU has to date 28 Member States
 EFTA is conformed by Norway, Switzerland, Iceland and Liechtenstein;
 FTA with Central America: conformed by Guatemala, Honduras, El Salvador, Costa Rica and Nicaragua;
 The Pacific Alliance: is conformed by Chile, Peru, Colombia. And Mexico
 TPP pending to entry into force.
 ▪ Means that the FTA contains an annex of professional services.

Main areas of negotiation: Co-existence NAFTA - TPP

Existing in NAFTA	NAFTA enhanced	Additional to NAFTA
<ol style="list-style-type: none"> 1. Agriculture measures 2. Industrial goods 3. Rules of origin 4. Trade remedies 5. Textile and Apparel goods 6. Sanitary and Phytosanitary measures 7. Technical barriers to trade 8. Cross-Border Trade in Services 9. Temporary Entry for Business Persons 10. Institutional arrangements and transparency provisions. 11. Government procurement. 	<ol style="list-style-type: none"> 1. Investment provisions 2. Financial Services 3. Telecommunications 4. Intellectual Property 5. Environment provisions 6. Labour provisions 	<ol style="list-style-type: none"> 1. E-Commerce 2. SMEs 3. Competitiveness 4. Regulatory coherence 5. Development 6. Anti-corruption provisions 7. Trade facilitation 8. State-Owned Enterprises (SOEs)



New Generation Chapters

Electronic Commerce

<http://www.gob.mx/tpp>

http://www.gob.mx/cms/uploads/attachment/file/113236/14_Electronic_Commerce.pdf



ELECTRONIC COMMERCE

Chapter objectives:

- To avoid unnecessary barriers for the use of e-commerce.
- To establish frameworks that promote consumer confidence in electronic commerce.
- To preserve the integrity of confidential information and security of online transactions.
- To work on long-term cooperation between countries to exchange information and share experiences on regulations, policies and compliance regarding electronic commerce.

Objectives of Mexico

- To ensure conditions that allow e-commerce to remain as a source of opportunities for the development of the digital economy, innovation and the creation for SMEs.
- To promote the development of e-commerce.



Source: Ministry of Economy

http://www.gob.mx/cms/uploads/attachment/file/113236/14_Electronic_Commerce.pdf



Selected provisions:

- 1) Non-discriminatory treatment of digital products.
- 2) Non-imposition of customs duties on electronic transmissions, including electronic content.
- 3) Personal information protection.
- 4) Principles on access to and use of the Internet for e-commerce.
- 5) No restrictions on transfers of information.
- 6) No restrictions for the location/establishment of computing facilities.



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Digital Product Definition*

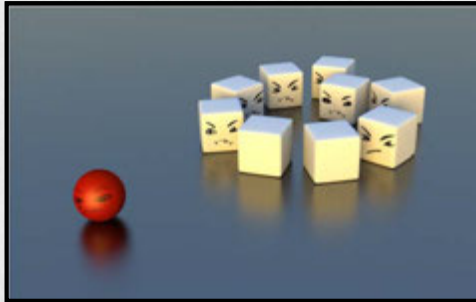


Means a computer programme, text, video, image, sound recording or other product that is digitally encoded, produced for commercial sale or distribution, and that can be transmitted electronically.

* A digital product doesn't include digitized representation of a financial instrument, including money.

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Non-Discriminatory Treatment of Digital Products



No country shall accord less favourable treatment to digital products:

- created,
- produced,
- published,
- contracted for, commissioned or first made available on commercial terms in the territory of another country.

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NO IMPOSITION OF TARIFFS ON ELECTRONIC TRANSMISSIONS

Customs Duties

- No country shall impose customs duties on electronic transmissions, including content transmitted electronically, between a person of one country and a person of another country.



However, it is permissible for a country to impose internal taxes, fees or other charges on content transmitted electronically, provided that such taxes, fees or charges are imposed in a manner consistent with TPP.



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Online consumer protection

- To adopt and maintain transparent and effective measures to protect consumers from fraudulent and deceptive commercial activities (protection when the consumer is involved in e-commerce).
- Cooperation between consumer protection agencies.



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Personal information protection

- To recognize the economic and social benefits of protecting the personal information of users of electronic commerce and the contribution that this makes to enhancing consumer confidence in electronic commerce.
- To adopt a legal framework to protect personal information of users of electronic commerce.



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Principles on Access to and Use of the Internet for Electronic Commerce



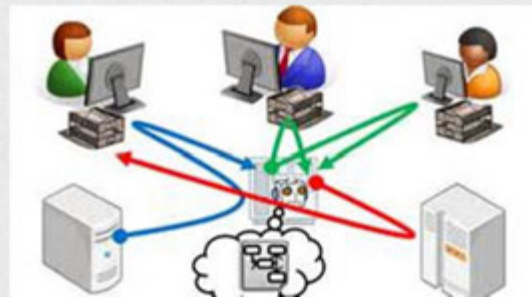
Subject to applicable policies, laws and regulations, countries recognize the following benefits for the consumers:

- access and use services and applications of a consumer's choice available on the Internet, subject to reasonable network management;
- connect the end-user devices of a consumer's choice to the Internet, provided that such devices do not harm the network; and
- access information on the network management practices of consumer's Internet access service supplier.

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Cross-Border Transfer of Information by Electronic Means

- Each country may have its own regulatory requirements for the transfer of information by electronic means.
- Each country shall allow the cross-border transfer of information by electronic means, including personal information, when this activity is for the conduct of the business.
- **Exception:** Countries may adopt or maintain measures inconsistent to achieve a legitimate public policy objective, provided that the measure is not a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade.



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No restriction on the location of computing facilities



Location of Computer Facilities

- Each country may have its own regulatory requirements for the use of computer facilities, including the requirements that seek to ensure the security and confidentiality of communications.
- No country shall require to use or locate computing facilities in that countries' territory as a condition for conducting business in that country.
- **Exception**:idem

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Success Stories



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CONCLUSIONS

- The E-commerce chapters sets rules that will support the development of the digital economy for years to come.
- New generation e-commerce chapters sets provisions and procedures for trade in goods and services carried by the Internet and other electronic means, and addresses a range of issues.
- Although certain provisions of e-commerce chapters impose obligations on the countries, while others merely require countries to endeavor to adopt or implement them; through the last negotiations, countries have agreed to a set of rules that will facilitate economic growth and trade opportunities through the use of e-commerce.