

MÉXICO

EMBAJADA EN GRECIA



DOING BUSINESS WITH MEXICO



RELACIONES EXTERIORES

SECRETARÍA DE RELACIONES EXTERIORES



2022 *Ricardo Flores*
Año de *Magón*

PRECURSOR DE LA REVOLUCIÓN MEXICANA



1 Mexico: Strategic destination



Access to 60% of global GDP



Proximity to the largest global market



Competitive shipping costs



Tax incentives along the US – Mexico border



High standards for protection of intellectual property





Mexico in the international market

RELATIONS AND INTERNATIONAL REGULATIONS

EU Alliance
population: 336,074,800
GDP: \$22.02 billion
of overall GDP: 2.4%
points: \$475 billion
of global trade: 3.2%

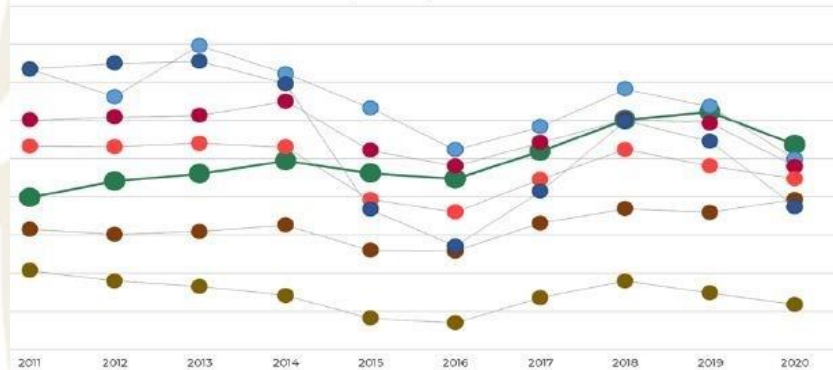
EU-MEX
population: 462,070,502
GDP: \$19.97% billion
of overall GDP: 22.9%
points: \$4,750 billion
of global trade: 34.9%

CA
population: 404,899,945
GDP: \$24,440 billion
overall GDP: 28%
points: \$2,067 billion
of global trade: 15.8%

U
population: 307,368,234
GDP: \$19,262 billion
of overall GDP: 12.9%
points: \$2,764 billion
of global trade: 15.4%



Total exports
(million USD)



World's ranking as
exporter (2020)

10	Mexico
11	United Kingdom
12	Canada
13	Singapore
14	Taiwan
15	Russia
25	Brazil

- Mexico has **14** free trade agreements (FTA) with **50** countries, **30** reciprocal investment promotion and protection agreements (IPPA's) and **9** agreements with ALADI.

- Mexico also is an export power, historically is the first economy with the **most exports** made in **Latin America**. In 2020, Mexico exported 418 billion USD (44% of LATAM market share), almost **double the amount made by Brazil** (our closest competitor in the region), and above world powers such as the **UK** (399B\$), **Canada** (390B\$), **Singapore** (374B\$), **Taiwan**(346B\$) and **Russia**(337B\$) in this year.

MEXICO KEY DATA

Population	130 million
GDP 2020	1.07 trillion USD
World ranking	15
GDP share of the World	1.8%
Ease of Doing Business Report (World Bank) 2020 (190 countries) Japan appears as number 1.	60
Economic Complexity Index 2020 (127 countries) New Zealand appears as number 1.	21
Global Competitiveness Index 2019 (141 countries)	48
Gross Public Debt to GDP ratio April 2022	58.4%
Foreign Direct Investments, net inflows 2021	10 (32 billion USD)
Total exports (world rankings 2020)	11 (and 1 st in LAC) (418 billion USD)
Total imports (world rankings (2020)	13
Share of global exports of goods (2020)	2.4%

[1] World Bank <https://databank.worldbank.org/data/download/GDP.pdf>

[2] IMF <https://www.imf.org/en/Countries/MEX>; <https://www.imf.org/en/Countries/GRC>

[3] Doing Business 2020, World Bank Group. <https://openknowledge.worldbank.org/bitstream/handle/10986/32436/9781464814402.pdf>

[4] Measures relative knowledge intensity of an economy. Source: The Observatory of Economic Complexity (OEC) - MIT Media Lab, Massachusetts Institute of Technology (MIT) <https://oec.world/en>

[5] World Economic Forum Report 2019

[6] IMF <https://www.imf.org/en/Countries/MEX>; <https://www.imf.org/en/Countries/GRC>

[7] IMF <https://worldinvestmentreport.unctad.org/world-investment-report-2022/chapter-1---global-investment-trends-and-prospects/#fdi-flows>

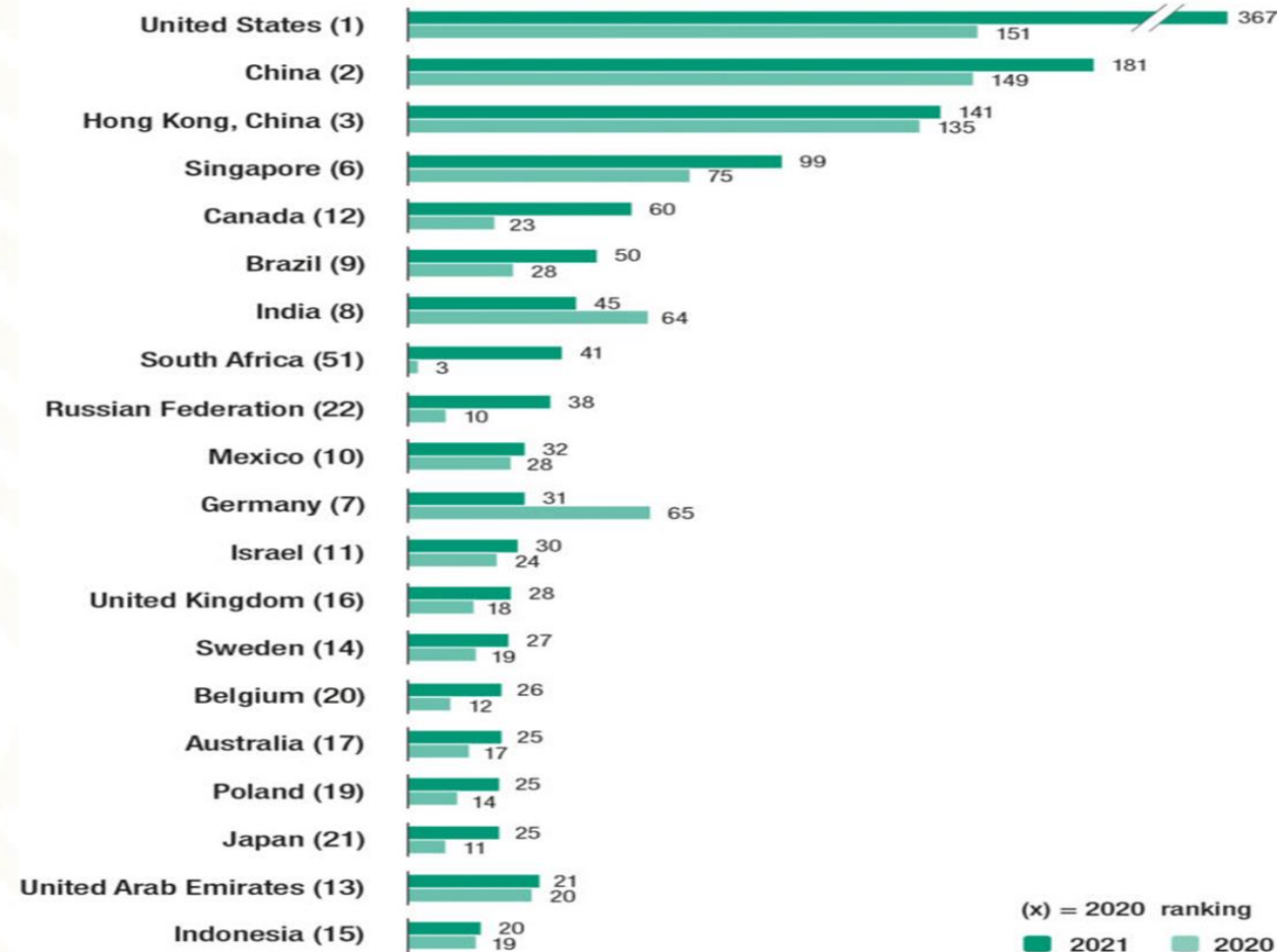
[8] UNCTAD <https://unctad.org/topic/trade-analysis/chart-10-may-2021>

[9] OEC <https://oec.world/en/profile/country/mex>; <https://oec.world/en/profile/country/grc>

[10] UNCTAD <https://unctad.org/topic/trade-analysis/chart-10-may-2021>



Figure 2. FDI inflows, top 20 host economies, 2020 and 2021 (Billions of dollars)



Source: UNCTAD, FDI/MNE database (<https://unctad.org/fdistatistics>).





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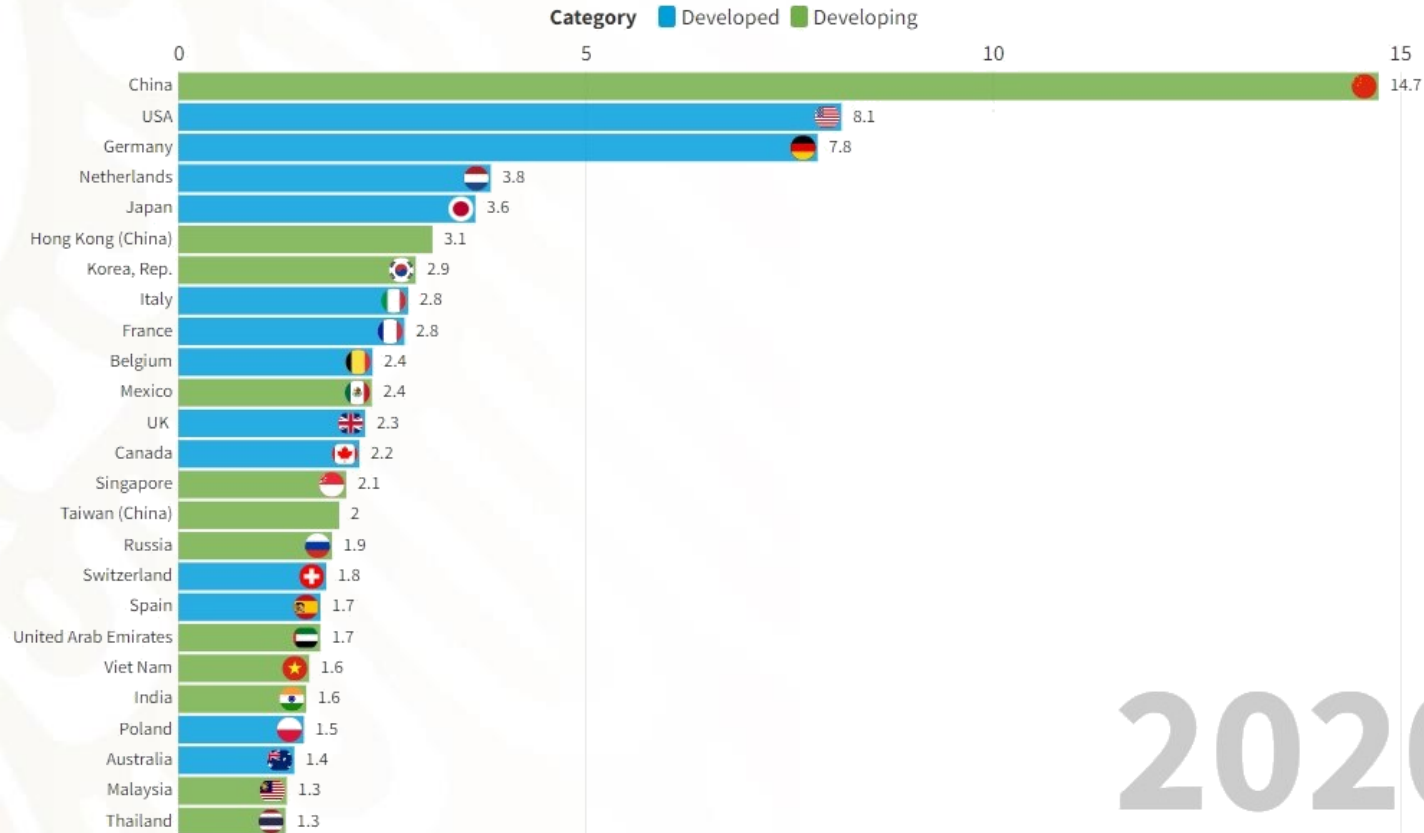


Home / Trade analysis / Evolution of the world's 25 top trading nations

Evolution of the world's 25 top trading nations

Discover in less than one minute the evolution of the world's main trading nations.

Share of global exports of goods (%), 1978-2020

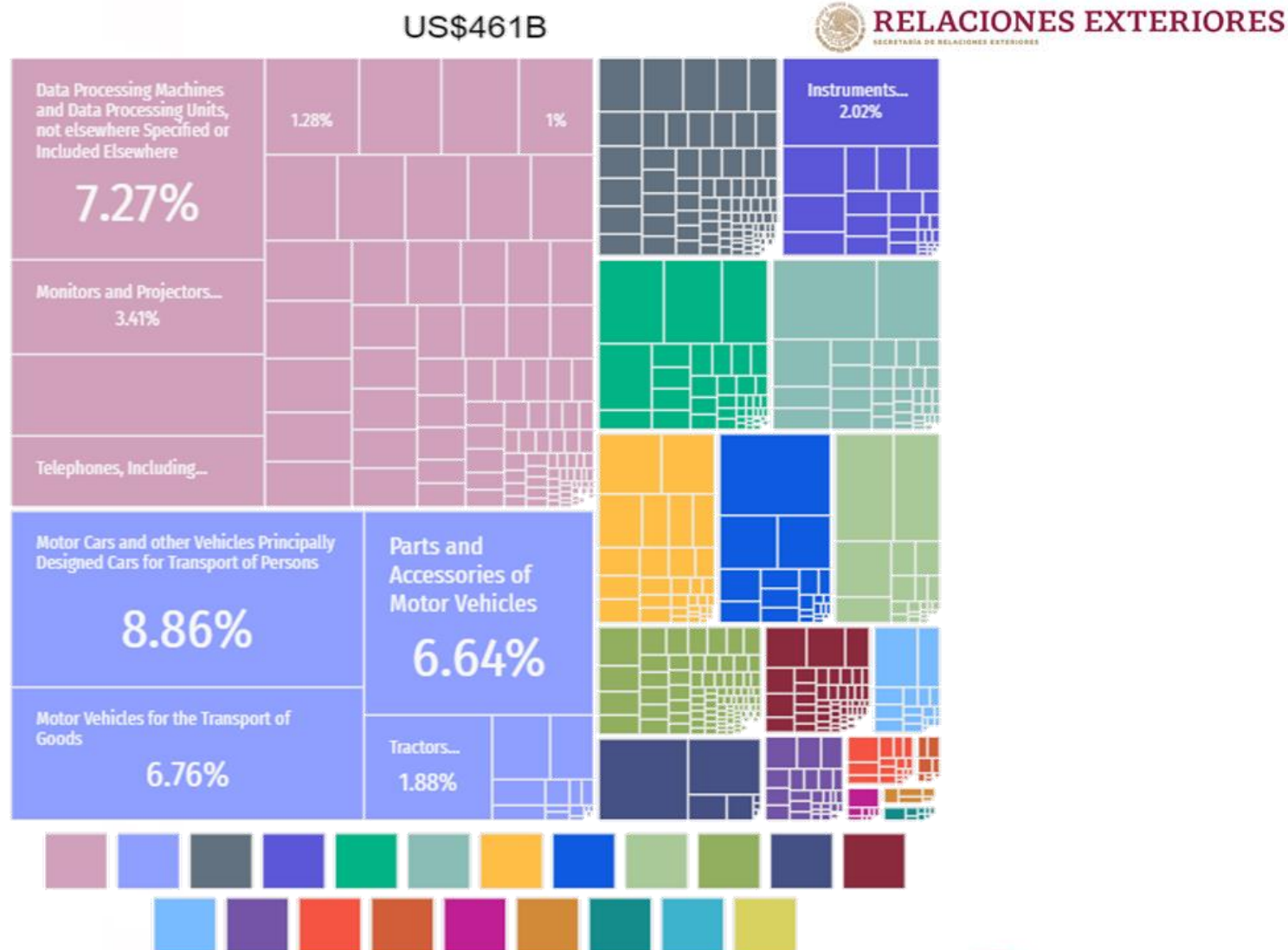


2020



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Products (2021)



datamexico.org/en/profile/geo/mexico

According with OECD Economic Outlook, June 2022:

- **Growth GDP: 2022: 1.9%; 2023: 2.1%**
- **Inflation 2022: 6.9%; 2023: 4.4%**
- **Consumption will be supported by the gradual improvement in the labor market, remittances, and the increasing share of the population vaccinated.**
- **Exports will continue to benefit from deep integration in global value chains and a gradual recovery in tourism.**
- **Planned public infrastructure projects will benefit investment.**
 - **Maya Train**
 - **Development Program for Tehuantepec Isthmus**
 - **Refinery Dos Bocas**
 - **International Airport Felipe Angeles**
 - **Toluca-City of Mexico Interurban Train**



War in Ukraine



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Aerospace

...has access to a potential high-tech export market, as a member of the Wassenaar Agreement.

Medical Devices

...is the main exporter of devices that use alpha, beta or gamma radiation in Latin America.

Electronic

...is the 8th largest producer of electronics in the world.

Automotive

...is the 7th largest vehicle producer worldwide and 3rd largest exporter globally.

Pharmaceutical

...is the 2nd largest pharmaceutical market in Latin America and the 12th in the world.

Renewable Energy

...has more than 226 power plants for the generation of electric power through renewable sources.

Mexico is leader in key sectors

Processed Food

...is home to 9 of the 10 food industry global companies with the highest revenue.

Telecommunication

...is the 2nd country in Latin America with the fastest internet speed.

Construction

...is one of the largest cement producer in Latin America.

Furniture

...is the 2nd largest furniture supplier of the United States.

Electricity

...is the 2nd producer of the electricity sector in Latin America.

Metal Mechanic

...is among the 10 main exporters of machinery, appliances and mechanical devices.

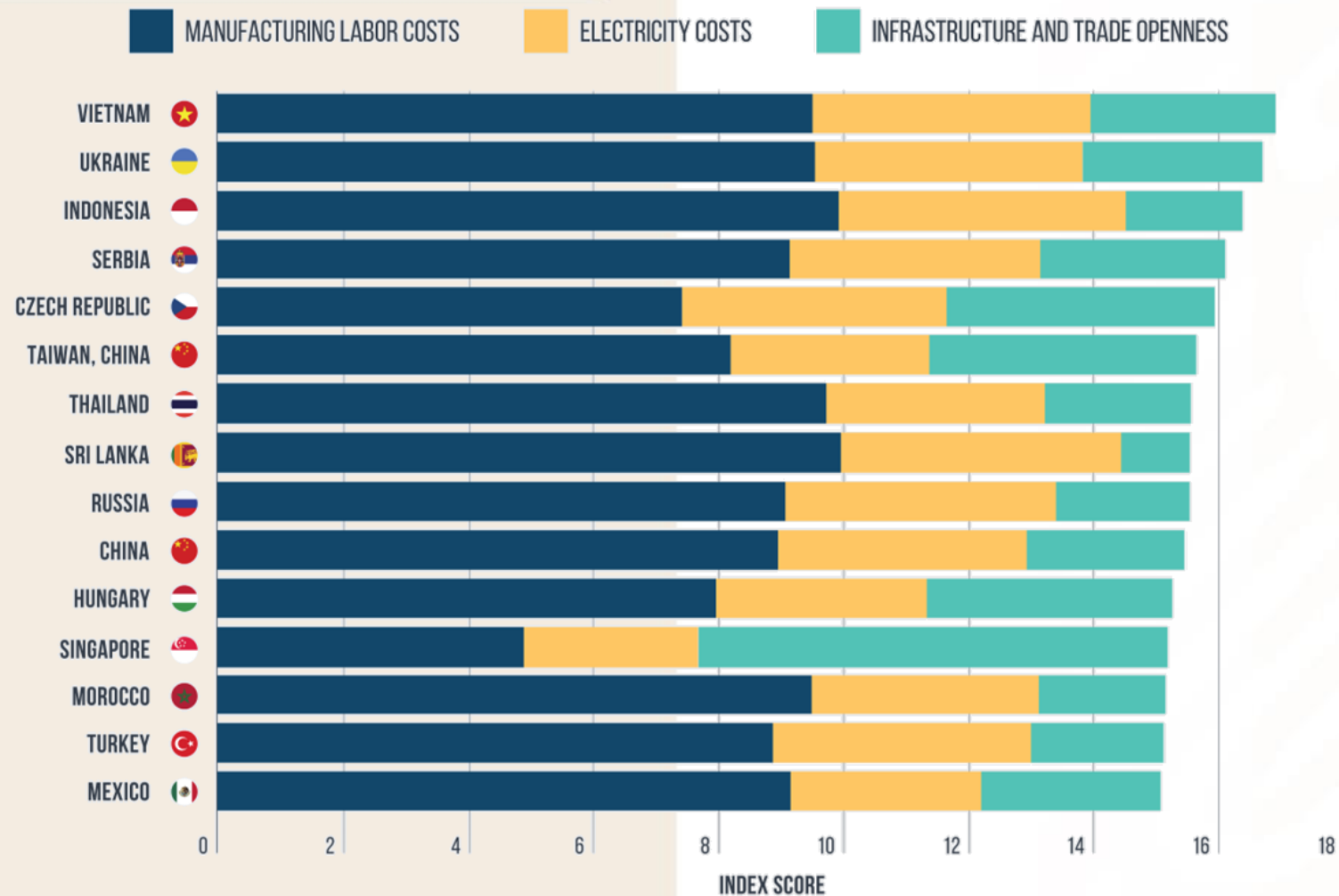
Biotechnology

...is the 2nd country in Latin America with the highest number of patent applications.



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SAVILLS NEARSHORING INDEX



Source: Savills Research; Manufacturing labour costs: Statista, Eurostat, ILO, The Conference Board;
Energy costs: GlobalPetrolPrices.com; Infrastructure and trade openness: World Economic Forum, Oxford Economics

A Greece's trade regime with Mexico



**MEXICO and
EUROPEAN UNION**
Free Trade Agreement

Entry into force:

1st
JULY

2000





MEXICO-EUROPEAN UNION NEW AGREEMENT ON TRADE

- In 1997, Mexico was the first country in Latin America to sign a *Global Agreement* with the EU. This came into force in 2000.
- Negotiations to update this agreement started in May 2016 and both sides reached an [agreement in principle](#) on the trade part in April 2018.
- In force for goods (2000) and for services (2001) Covers customs tariffs – scrapping tariffs on manufactured goods, BUT NOT FOOD OR DRINKS.
- EU and Mexican firms are treated similarly when they tender for government contracts in Mexico or on the EU to supply goods and services. However, the existing agreement DOES NOT cover tenders issued at regional and local level in Mexico's states
- Since then, trade in goods between Mexico and EU had more than tripled.
- The new agreement, once ratified, will replace the existing EU-Mexico Global Agreement.

Main elements of the new agreement:

- Remove tariffs and non-tariff obstacles to trade
- Practically all trade in goods between the EU and Mexico will now be duty-free, including in the agricultural sector.
- Simpler customs procedures will further benefit the EU's industry, including in sectors like **pharmaceuticals, medical devices, machinery and transport equipment**.
- €100 million a year in tariffs will be progressively removed.
- Non-tariff barriers, such as Mexican restrictions on EU food products and problems with safeguarding European intellectual property in Mexico will be lifted



- Geographical Indications of 340 distinctive food and drink products from specific regions in the EU- will be protected, including 23 GREEK PRODUCTS
- EU firms will be given more access than now to Mexico's market in the following sectors: FINANCIAL, POSTAL & COURIER, TELECOMMUNICATIONS, TRANSPORT, DIGITAL TRADE ENVIRONMENTAL.

The new agreement WILL REMOVE MOST OF THE HURDLES FOR GOOD EXPORTS.

- Examples. With the new agreement the duties for Poultry (100%), Cheese (45%), Pork (45%); Chocolate (20%), Pasta (20%) will be 0.
- The new agreement will protect 340 EU Geographical Indications (GIs), 23 Greek products among them (some varieties of olives, olive oil, raisins, feta, retsina, etc...)
- The new agreement will also simplify and speed up paperwork and physical checks at Mexican customs. Lifting this kind of barriers will benefit EU exports notably in machinery, mineral fuels, pharmaceuticals and transport equipment industries.
- New markets in services, such as financial services, transport, e-commerce, and telecommunications.
- New markets in government procurement will be opened up.
- The Mexican government procurement market is estimated at some €30 bn a year
- European and Mexican companies will have mutual access to government contracts in both the EU and Mexico public procurement markets. EU and Mexican companies will be placed on an equal footing, irrespective of whether they present a bid in Mexico or in the EU.

(Source: European Commission)



European Union Main Trade Latin American Partners in Goods 2021 (Billion euros)

Partner	Total trade			European Union exports to			European Union imports from			European Union balance with
	Rank	Value	Share%	Rank	Value	Share %	Rank	Value	Share%	
China	1	696.1	16.2	3	223.4	10.3	1	472.7	22.3	-249.3
USA	2	636.1	14.7	1	399.3	18.3	2	232.4	11.0	166.9
Brazil	11	66.7	1.6	13	33.8	1.6	13	32.9	1.6	.94
Mexico	13	61.1	1.4	11	37.7	1.7	17	23.3	1.1	14.3
Chile	38	16.8	0.4	34	10.0	0.5	42	6.8	0.3	3.1
Argentina	39	16.6	0.4	36	8.0	0.4	38	8.6	0.4	-.06
Colombia	47	10.8	0.3	41	6.3	0.3	48	4.5	0.2	1.8
Peru	49	10.0	0.2	55	3.5	0.2	44	6.5	0.3	-3.0
Uruguay	68	3.3	0.1	70	1.9	0.1	66	1.4	0.1	.4
Panama	70	3.3	0.1	64	2.3	0.1	78	1.0	0.1	1.3

- In 2020, the EU was Mexico's second-biggest export market after the US. The EU's key imports from Mexico are machinery and appliances, transport equipment, optical/photographic instruments, and mineral products.
- The **EU was Mexico's third-largest source of imports** in 2020, after the US and China. Key EU exports to Mexico include machinery and appliances, chemical products, transport equipment, and base metals.
- In services, EU imports from Mexico are dominated by travel and transport services. EU services exports to Mexico consist mainly of business services, transport services, travel services, and telecommunications, computer and information services.
- As for **foreign direct investment**, the EU is the second largest investor in Mexico after the US, with **175.8 billion euros in 2020**.

Source: https://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122530.pdf

https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/mexico_en

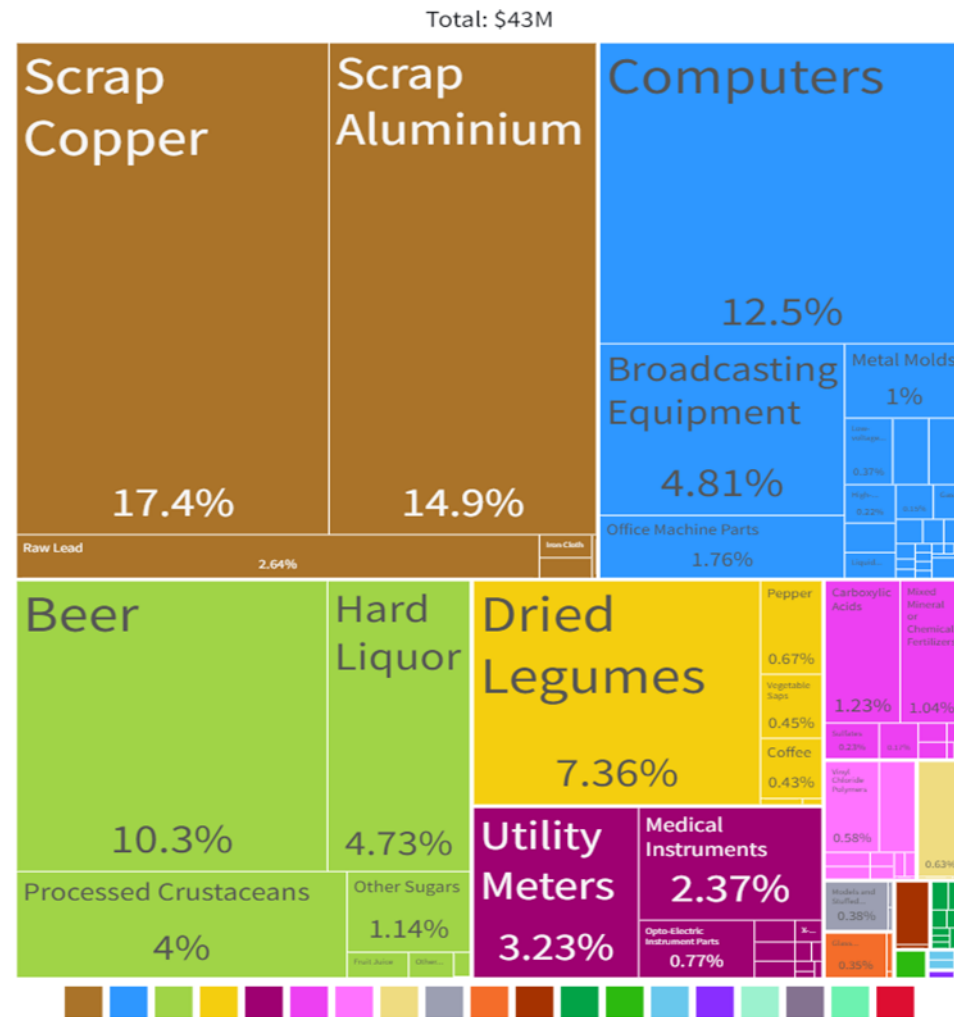


Greece trade with Mexico and other Latin-Americans countries 2019

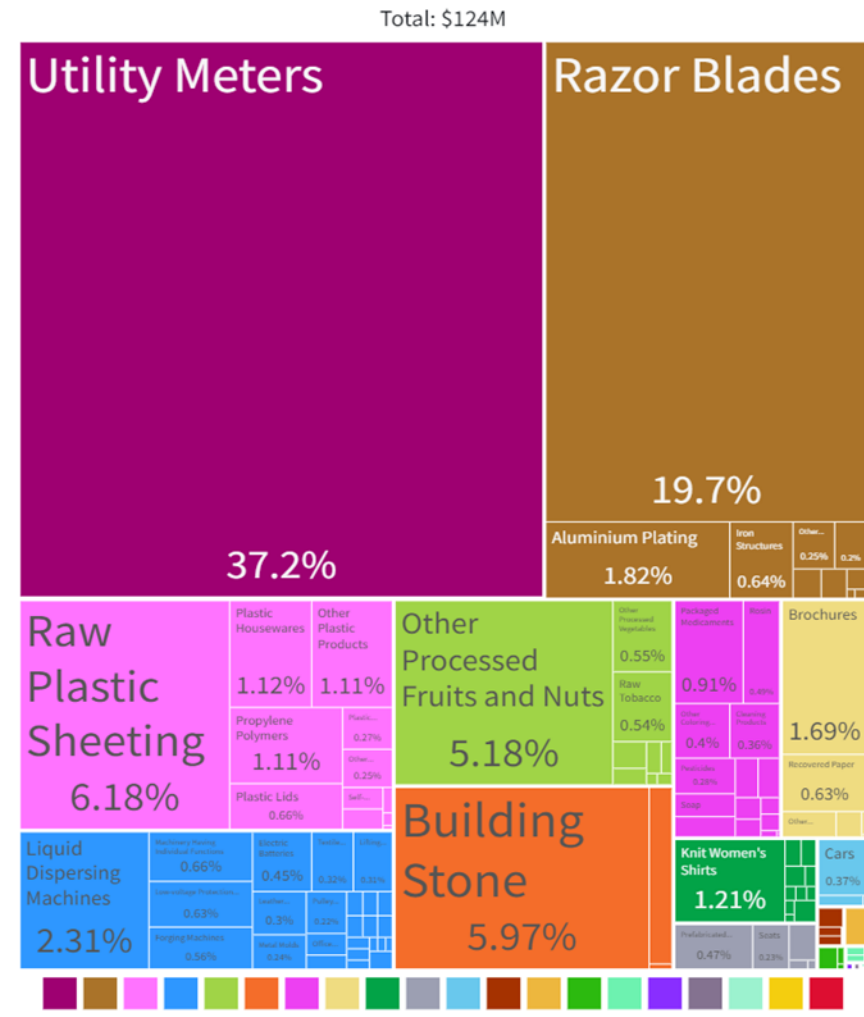
GREECE EXPORTS	USD Thousand	GREECE IMPORTS	USD Thousand
PANAMA	215, 979	ARGENTINA	181,329
MEXICO	190, 554	BRAZIL	149,802
BRAZIL	150,692	CHILE	52,508
CHILE	20,756	MEXICO	48,456
PERU	19,720	COLOMBIA	18,488
COLOMBIA	15,943	PANAMA	8,626
ARGENTINA	5,046	PERU	8,493
URUGUAY	4,611	URUGUAY	5,506
LATIN AMERICA AND CARIBBEAN	780,936	LATIN AMERICA AND CARIBBEAN	711,828
WORLD	37,885,526	WORLD	62,198,045

The whole region of Latin America and Caribbean represents 1.14% of Greek imports and 2.06% of Greek exports

Exports to Greece 2020



Imports from Greece 2020



2 Mexican exports to Greece

Exports from
Mexico to
Greece
(2021)

71
Million USD

Market Share
(2021)

0.01%

Growth rate
(2020-2021)

84%

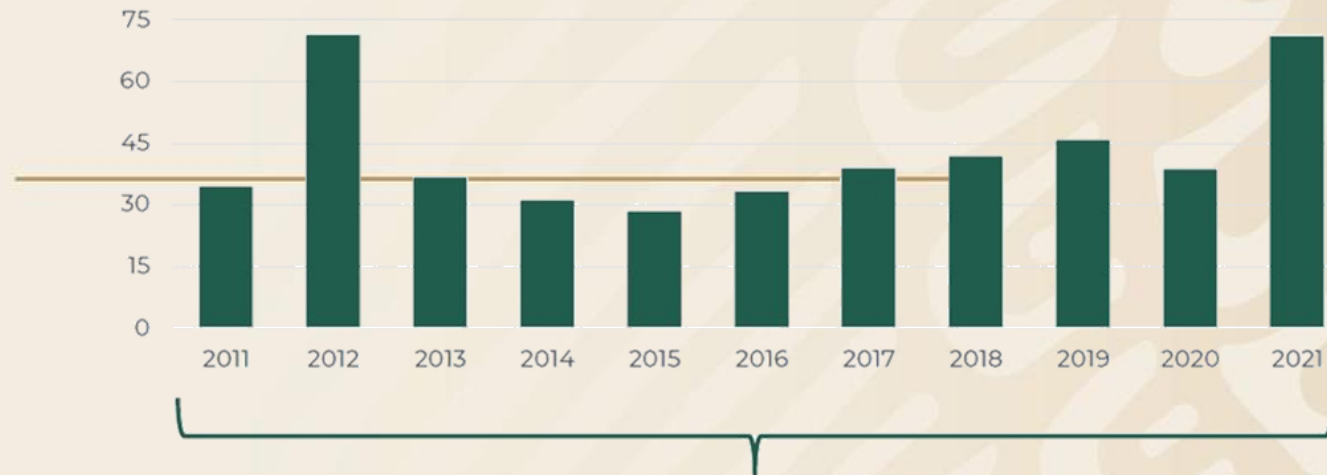
Trade Balance
Mexico-Greece
(2021)

DEFICIT
107
million USD

Greece's ranking
mexican destiny
(2021)

68

Mexican exports to Greece
(million USD)

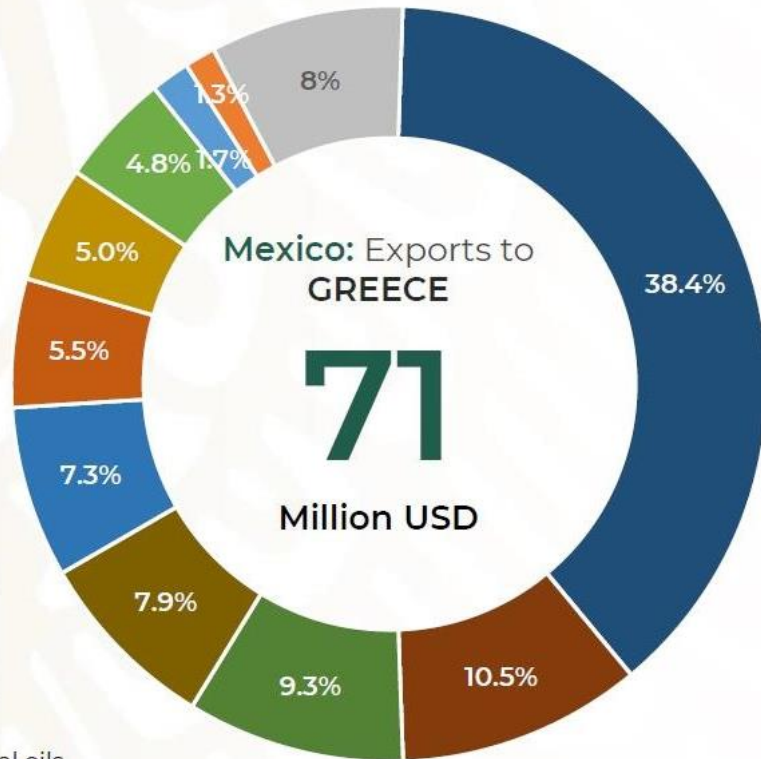


Average Annual Growth Rate (2012-2021)
7.5%



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2 Mexican exports to Greece (2021)



¹ Exports of crude petroleum oils or bituminous mineral oils are not included.

SECTORS (HS-2D)

- Aluminium and articles thereof
- Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof
- Copper and articles thereof
- Residues and waste from the food industries; prepared animal fodder
- Beverages, spirits and vinegar
- Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad ...
- Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...
- Pharmaceutical products
- Lead and articles thereof
- Glass and glassware
- Others

Mexican Exports to Greece (2021)

Ports and transport modes

Map of ports of departure and modes of transport



Ports of departure



Modes of transport



B Greece's trade indicators

74

Billion USD

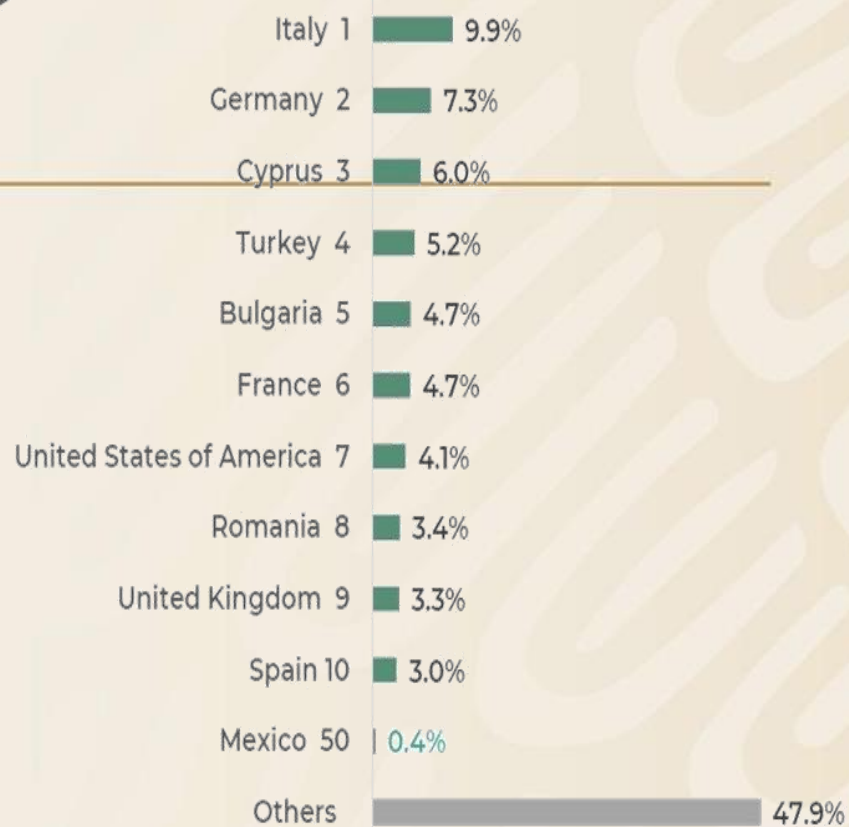
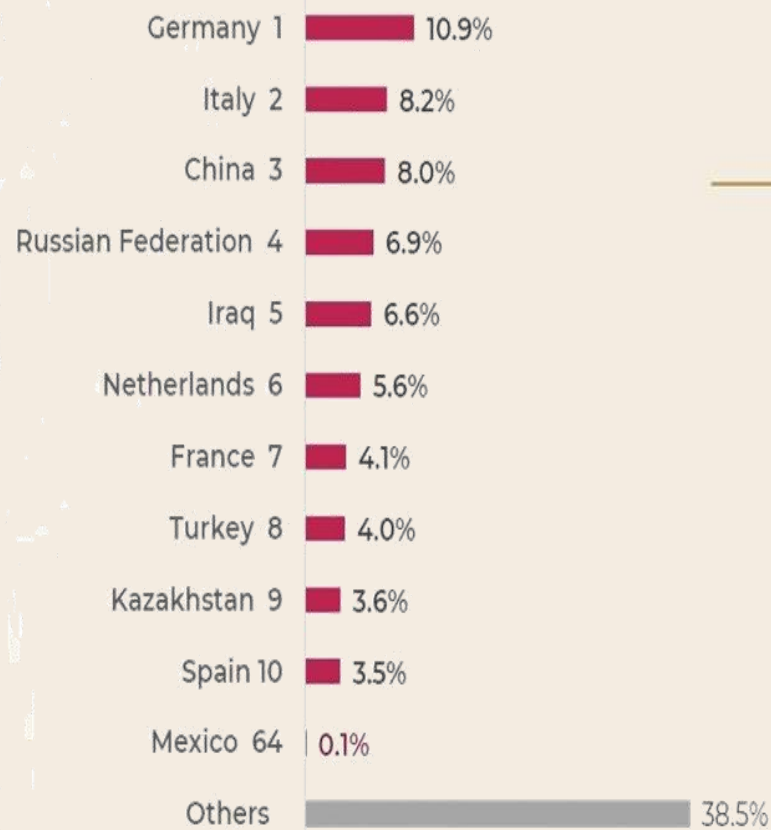
IMPORTS (2021)
TOP ORIGINS



EXPORTS (2021)
TOP DESTINATIONS

46

Billion USD



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Greece's products with potential to Mexico

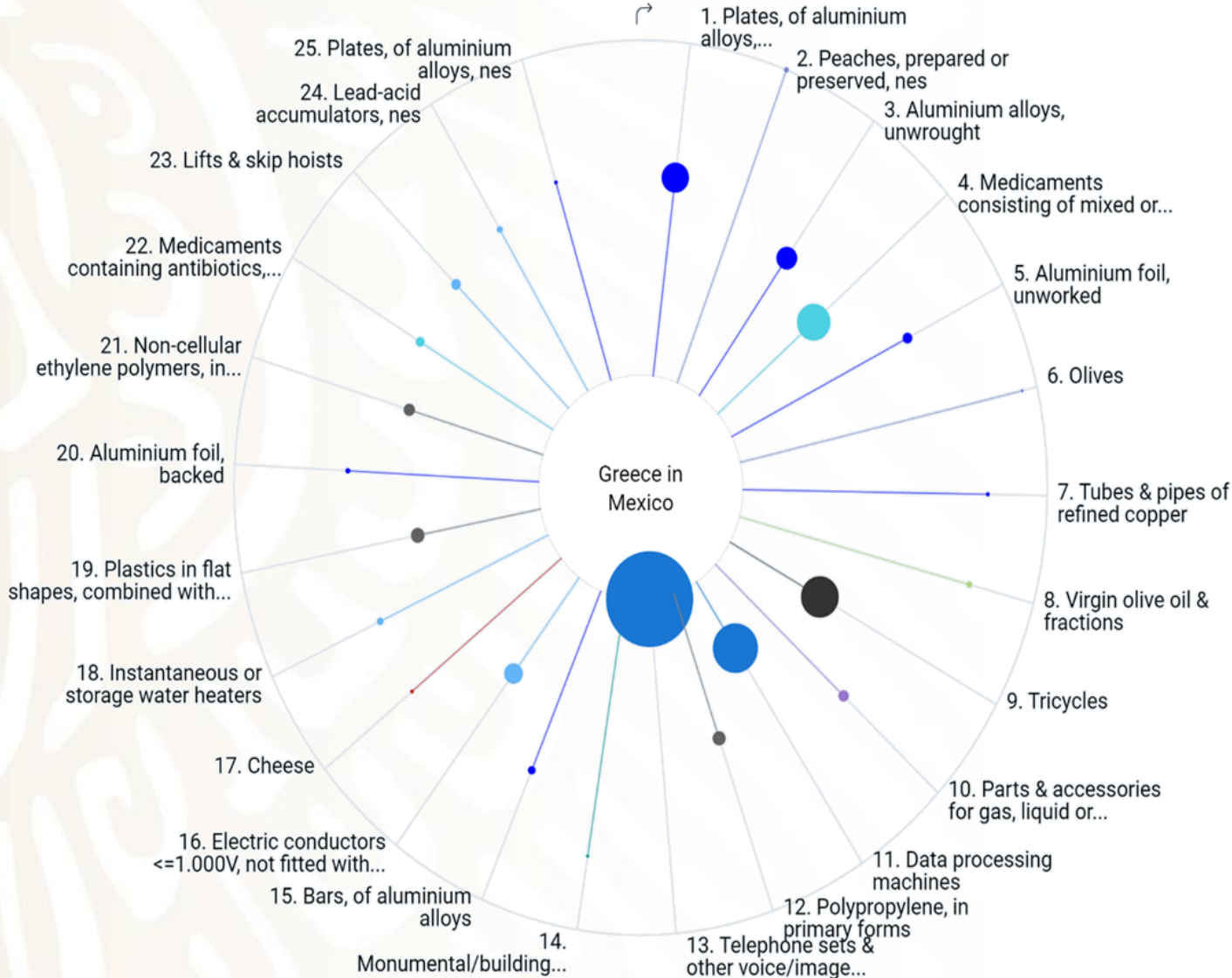
Legend

1,2,3 Export potential rank

Demand

Supply

- Metals (except ferrous & precious)
- Food products n.e.s. (processed or preserved)
- Pharmaceutical components
- Machinery, electricity
- Plastics & rubber
- Electronic equipment
- Vegetable oils & fats
- Miscellaneous manufactured products
- Optical products, watches & medical instruments
- Mineral products
- Dairy products



ITC Export Potential Map
exportpotential.intracen.org



HOW TO APPROACH THE MEXICAN MARKET

4 examples of success:

- Chipita
- Beat Taxis
- GREGOMEX, SA. CV, located in Playa del Carmen, Quintana Roo and created in 2012. (Distributor of some Greek wine brands Messina Union/Kalamata; Domain Mega Spileo; Stoupakis; Cavino, etc)
- Mytilineos Holding

THANK YOU



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