



# TRADE LINKS LAZOS COMERCIALES

## TABLE OF CONTENTS

*Mexico-EFTA FTA: nine years of a successful economic relationship*

*Fifth meeting of the EFTA – Mexico Joint Committee*

### MEXICO

*Trade Balance*

*Financial and Economic Indicators*

### BUSINESS

*Mexico Official Journal*

*EU Official Journal*

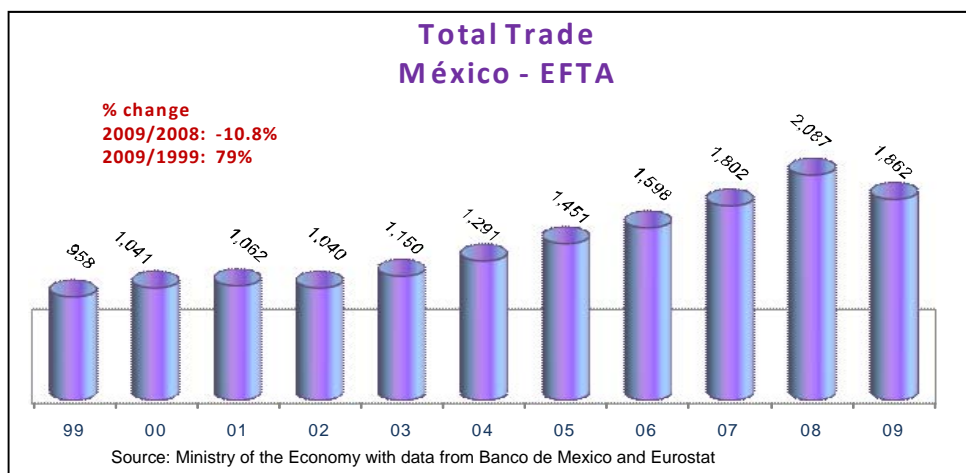
## Mexico-EFTA FTA: nine years of a successful economic relationship

**M**exico and the countries of the European Free Trade Association (EFTA) have a Free Trade Agreement (FTA) in force since July 2001, which has allowed to develop greater levels of bilateral investment and trade.

As foreseen in the Mexico-EFTA FTA, tariffs are already eliminated for all industrial goods, and for an important part of the agricultural products, which some of them still follow their gradual process of liberalization.

### Bilateral Trade \*\*

Total trade between Mexico and EFTA ascended to 1,862 million dollars (md) in 2009, which represents a growth of 79% in comparison with the previous year of the FTA (2000). It is worth to point out that Switzerland and Norway contribute respectively with 84% and 14% of the total trade.



### Mexican Exports to EFTA\*\*

In 2009, Mexico exported 467 md to EFTA, an increase of 154% from 2000. Switzerland received 78% of the Mexican sales to EFTA and Norway 21%. It is worth to highlight that in spite of the economic world crisis, the sales of Mexico to Switzerland experienced a significant increase of 68% compared to 2008.



\* Iceland, Liechtenstein, Norway and Switzerland  
\*\* With information of imports for each partner

# Mexico-EFTA FTA: nine years of a successful economic relationship

(Continues from page 1)

In 2009, the sectors in which Mexican products obtained greatest shares in the exports to EFTA were chemicals (48%) and machinery and transportation equipment (30%).

The sectors accounting for the largest increases in value terms of Mexico's exports to EFTA, in the period 2000-2009, include chemicals (166 md additional value), machinery and transportation equipment (56 md) and other manufacturing products (37 md); their market share in the value increase were 56%, 19% and 13% respectively.

## Bilateral Trade in 2009

Millions of dollars

	Total	Switzerland	Norway	Iceland	Liechtenstein
Mexico:Exports	467.3	364.6	99.4	3.3	It is included in Switzerland
Growth 2000-2009	154.0%	222.2%	46.0%	22.2%	
Mexico:Imports	1,395.1	1,208.0	157.4	5.6	24.0
Growth 2000-2009	62.8%	60.5%	60.7%	1352.6%	323.5%
Total Trade	1,862.4	1,572.6	256.9	8.9	24.0
Growth 2000-2009	79.0%	81.6%	54.7%	188.9%	323.5%

Source: Ministry of the Economy with data from Banco de Mexico and Eurostat

## Mexican Imports from EFTA

On the other hand, Mexican imports from the EFTA have grown 63% since 2000, reaching 1,395 md in 2009. Switzerland and Norway's shares in total Mexican imports from EFTA reached 87% and 11% respectively.

Within Mexico's imports from EFTA, 43% are inputs and 23% are machinery and equipment, which allows supporting the competitiveness of companies operating in the country, both to supply the internal market and to compete in the international markets. Hence, Mexican consumers benefit from a greater access to high-quality products at competitive prices.

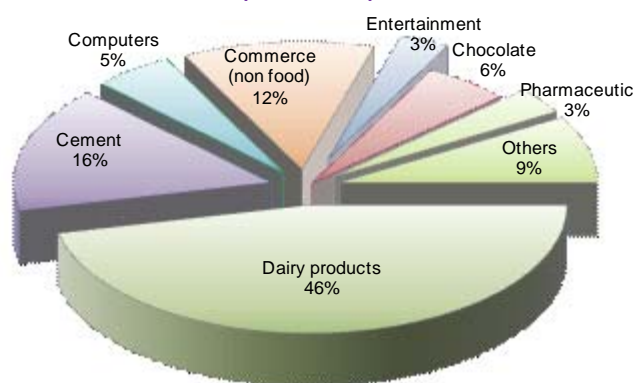
Sectors accounting for the largest increases in value terms of Mexican purchases from EFTA in the period 2000-2009, include chemicals (264 md additional value) and machinery and transportation equipment (140 md); and their market share in the value increase were 51% and 27% respectively.

## Investments

EFTA's Foreign Direct Investment (FDI) in Mexico reached 3,786 md, accumulated between 2001 and 2009, most of which came from Switzerland (96%).

At the present time, in Mexico are operating 590 companies with capital from EFTA countries, in sectors such as dairy products, cement, wholesale commerce, chocolate and computers, which concentrated 85% of the FDI from EFTA accumulated in the period 2001-2009.

## EFTA: Foreign direct Investment in México (2001-2009)



Source: Ministry of the Economy

Mexico has Bilateral Investment Treaties (BIT) with Switzerland (1996) and Iceland (2006).

## Final remarks

The FTA between Mexico and EFTA has propelled our trade and investment bilateral flows. However, the current business activity does not correspond to the great potential of our respective economies.

Therefore, Mexican and Europeans entrepreneurs still have wide possibilities to exploit even more our commercial agreement, obtaining the maximum benefits of the comparative advantages that exist among our productive and service sectors.

## Mexico's Total Trade in May (billion US\$)

	2009	2010	%
Total	34.0	49.4	45.3
Exports	17.2	24.8	43.9
Exports (excluding oil)	14.8	21.0	41.4
Imports	16.8	24.6	46.7

Source: Banco de México

## Mexico's Trade with EU and EFTA (million US\$)

	2009	2010	%
January - May			
Exports to the EU	4,244.6	5,598.7	31.9
Imports from the EU	10,329.9	12,470.3	20.7
Exports to the EFTA	192.5	438.8	127.9
Imports from the EFTA	520.8	601.4	15.5

Source: Banco de México

## Fifth meeting of the EFTA – Mexico Joint Committee

**O**n May 7, 2010 the Fifth Joint Committee meeting between Mexico and the European Free Trade Association (EFTA) was held in Mexico City.

During the meeting was noted that, thanks to the Mexico - EFTA FTA, the sustainable growth in the commercial and investment trend remains in spite of the aftermath of the economic and financial crisis in 2009 (see page 1).

In this meeting different trade topics of reciprocal interest were discussed. Among the subjects, it is worth to highlight the signature of several Decisions of this Joint Committee that up-date and adapt certain provisions set out in the Mexico - EFTA FTA.

On customs procedures and rules of origin (RO), a Decision related to direct transport applicable to agricultural products was signed by the Parties. Considering the current profile and dynamics of the international trade logistics in the agricultural sector, these modifications will bring benefits for Mexican and European trade operators. A similar Decision was signed in 2008 applicable to direct transport of industrial goods (see [TradeLinks](#) of October 2008).

The adoption of this new Decision will allow splitting up the consignment during the transport, granting the maintenance of the trade preferences established in the FTA when products are imported into the territory of one of the Parties.

In this case, the importer will present the "Movement Certificate EUR.1" issued retrospectively, or the "Invoice Declaration" issued after the exportation.

Additionally, other Decisions were also signed in order to adapt the RO according to the Harmonized System 2007, herewith with the purpose to provide major certainty to trade operators, and therefore, to maintain the preferences agreed under the FTA.

On market access, a Decision was signed in order to remove a reserve made by Switzerland on imports of animal food; therefore, Mexico will be able to export those products duty-free into the territory of Switzerland.

Moreover, both delegations exchanged views about other economic and trade topics, including the perspectives on the Doha Round negotiations within World Trade Organization (WTO) .

Likewise, both Parties agreed to reinforce the bilateral co-operation on those subjects of reciprocal interest.

Finally, it was agreed to celebrate the sixth meeting of the Joint Committee in Geneva, Switzerland in 2012.

For more information, please visit:

- Ministry of the Economy's web page:  
[www.economia.gob.mx/swb/es/economia/p\\_TLCMAELC](http://www.economia.gob.mx/swb/es/economia/p_TLCMAELC)

- Press release:  
[www.economia.gob.mx/swb/work/models/economia/Resource/400/1/images/Reunion\\_Mexico\\_AELC\\_7\\_mayo\\_2010.pdf](http://www.economia.gob.mx/swb/work/models/economia/Resource/400/1/images/Reunion_Mexico_AELC_7_mayo_2010.pdf)



Mexico's Economic Indicators	
<b>Inflation rate:</b>	-0.03% (June, 2010); 3.69 % (2010, annual)
<b>Industrial Gross Domestic Product:</b>	8.4% (May. 2010 / May. 2009)
	<b>Manufacturing:</b> 14.2%; <b>Construction:</b> 0%; <b>Mining:</b> 3.2%
<b>General Index of Economic Activity:</b>	7.2% (Apr. 2010 /Apr. 2009)
<b>Consumer Confidence Index:</b>	87.5 pts. (June 2010)
	-6.5 percentage points (June 2010 / June 2009)
<b>Open unemployment rate:</b>	5.05 % (June 2010)
	<i>Source: INEGI</i>

Mexico's Financial Indicators	
<b>Foreign exchange rate:</b>	12.70 peso/dollar (July 26, 2010)
<b>International reserves:</b>	\$102,869 million dollars (July 16, 2010)
<b>Mexican stock market index (IPC):</b>	32,959 (July 26, 2010)
<b>Interest rate treasury bonds CETES 28 days:</b>	4.59 % (July 22, 2010)
	<i>Source: Banco de Mexico</i>

## Mexico Official Journal

- **01/06/2010** Agreement modifying the existing one establishing the merchandises and products classification subject to import and export sanitary regulation by the Ministry of Health .
- **01/06/2010** Agreement modifying the provisions that establish the classification of essential chemical products of which its import or export is subject to the presentation of a previous notice before the Ministry of Health .
- **04/06/2010** Decree notifying the expiration of the Free Trade Agreement between Mexico and Bolivia, signed in Rio de Janeiro, Brazil, on September 10, 1994, due to Bolivia's withdrawal from the FTA.
- **04/06/2010** Agreement that publicizes the Economic Complementation Agreement No. 66 between Mexico and Bolivia.
- **18/06/2010** Agreement modifying certain provisions which establish the merchandises and products classification subject to import regulation by the Ministry of Agriculture.
- **18/06/2010** Decree which abrogate the Law which states that, with respect to the import and export taxes, only the exemptions consigned in the Customs Law are applicable.
- **30/06/2010** General rules and practices on foreign trade applicable for the year 2010.

## EU Official Journal

- **02/06/2010 L135** Decision No 477/2010/EU of the European Parliament and of the Council of 19 May 2010 repealing Council Decision 79/542/EEC drawing up a list of third countries or parts of third countries, and laying down animal and public health and veterinary certification conditions, for importation into the Community of certain live animals and their fresh meat
- **02/06/2010 L135** Commission Regulation (EU) No 478/2010 of 1 June 2010 imposing a provisional anti-dumping duty on imports of high tenacity yarn of polyesters originating in the People's Republic of China
- **05/06/2010 L139** Corrigendum to Commission Regulation (EC) No 555/2008 of 27 June 2008 laying down detailed rules for implementing Council Regulation (EC) No 479/2008 on the common organization of the market in wine as regards support programmes, trade with third countries, production potential and on controls in the wine sector ( OJ L 170, 30.6.2008)
- **09/06/2010 L141** Council Decision of 10 May 2010 on the signing and provisional application of the Geneva Agreement on Trade in Bananas between the European Union and Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela and of the Agreement on Trade in Bananas between the European Union and the United States of America
- **11/06/2010 L145** Council Decision of 22 March 2010 on the signing, on behalf of the European Union, of a Protocol to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, on Conformity Assessment and Acceptance of Industrial Products (CAA)

**Mexico-EU Trade Links** is a monthly informational newsletter published by the Mexican Mission to the EU, Representative office of the Ministry of the Economy. Av. Franklin Roosevelt 94, 1050, Brussels, Belgium.

For more detailed information or questions regarding this issue please contact us: e-mail [info@economia-bruselas.be](mailto:info@economia-bruselas.be), fax: 32 (02) 644 04 45, or visit our website at: <http://www.economia-bruselas.gob.mx>