

BUSINESSEUROPE



**EU-MEXICO TRADE
AGREEMENT: WHAT IT
MEANS FOR BUSINESS**

A STRATEGIC PARTNERSHIP FOR GROWTH



**DIVERSIFICATION AS A RESPONSE TO
GEOECONOMIC UNCERTAINTY**



**ENHANCED COMPETITIVENESS
THROUGH IMPROVED MARKET ACCESS**



**REINFORCED THE EU'S ECONOMIC
RESILIENCE THROUGH BETTER ACCESS
TO CRITICAL RAW MATERIALS**



**NEW ECONOMIC OPPORTUNITIES
FOR SMES**



**PROMOTION OF SUSTAINABILITY
STANDARDS**

DIVERSIFICATION AS A RESPONSE TO GEOECONOMIC UNCERTAINTY

Rising geopolitical tensions and mounting unpredictability in global markets underscore the urgent need to strengthen and diversify value chains. In an era marked by economic coercion and growing protectionism, the European Union must deepen cooperation and reinforce strategic ties with like-minded partners to safeguard resilience, competitiveness, and long-term prosperity.

Strengthening the partnership with Mexico at this juncture sends a **clear signal that both economies remain committed to open and fair trade**, grounded in international standards and the rules-based order.

Enhanced cooperation with Mexico will open European business to **a market of approximately 131 million people, supporting the EU's efforts to reduce reliance on single markets**, which remains a pressing objective amid growing geopolitical and trade policy uncertainty. This is particularly relevant given Mexico's role as a strategic supplier of the critical raw materials needed to support the EU's green and digital transitions.

Reinforcing ties with Mexico would **enhance the EU's engagement with Latin America** at a time of significant geopolitical reconfiguration in the region. European companies can offer a reliable alternative for investments and trade.

ENHANCED COMPETITIVENESS THROUGH IMPROVED MARKET ACCESS

European companies are currently operating under significant pressure in an increasingly challenging global environment. **Creating new trade and investment opportunities for these companies is essential to strengthen Europe's competitiveness**, reduce strategic dependencies, and safeguard jobs. Mexico is the EU's second-largest trading partner in Latin America, and under the existing agreement, European companies already export more than €70 billion worth of goods and services to Mexico, supporting over 630 000 jobs in the EU.

The modernisation of the EU-Mexico agreement will deliver substantial additional benefits for European businesses. Mexico has agreed to eliminate its remaining tariffs on EU products – reaching up to 100% in some cases –, which will significantly improve EU companies' market access and competitive positioning. Beyond tariff elimination, the updated agreement will also address key barriers faced by European firms when investing, supplying services, or participating in public procurement. In addition, it will protect more than 568 traditional EU food and drink products through the Geographical Indications system, preventing imitations¹.

¹ PRESS RELEASE - EUROPEAN COMMISSION



REINFORCED THE EU'S ECONOMIC RESILIENCE THROUGH BETTER ACCESS TO CRITICAL RAW MATERIALS

Enhancing the EU's economic resilience has become a key priority in the current geoeconomic context. Since the early 2000s, **Mexico's share of critical raw materials imports into the EU has increased significantly**, highlighting its growing importance as a reliable supplier.

The modernised EU-Mexico agreement will provide European companies with a fair and transparent environment for trade and investment in raw materials, through improved market access and clear rules on export restrictions and non-discrimination, including the prohibition of export monopolies, dual pricing practices, unjustified government intervention in price setting, and non-automatic import licencing.

In particular, the updated agreement would offer European companies **more favourable conditions to invest in Mexican sectors linked to critical materials**² such as fluorspar, bismuth and antimony. This will benefit strategic European industries, including chemicals, steelmaking and ceramics, as well as pharmaceuticals, lead-acid batteries and cosmetics, while supporting the EU's green and digital transitions³.

The agreement will therefore **help reducing Europe's strategic dependencies and strengthening the resilience of its value chains**, contributing to the **EU's de-risking strategy that relies on expanding cooperation with trusted partners**, diversify sourcing and mitigating vulnerabilities.

Finally and crucially, these materials are produced in a safe and sustainable manner, making Mexico a trusted and aligned partner for EU trade and sustainability goals.

² Q&A on the EU's Global Agreement with Mexico

³ EU's Global Agreement with Mexico

NEW ECONOMIC OPPORTUNITIES FOR SMEs

Mexico has become an increasingly important export destination for European manufacturing companies, evolving into a strategic market. This trend is expected to continue, as the International Monetary Fund - **IMF forecasts for Mexico an acceleration of its economic growth, signalling expanding business opportunities for EU companies.**

Through the modernisation of the EU-Mexico agreement, this is an opportunity that also **European SMEs will be well positioned to seize.** Simplified standards and procedures will improve access to the Mexican market, while the establishment of a common regulatory framework grounded in shared values will further enhance legal certainty and create more predictable operating conditions for all companies. By promoting greater convergence with international standards and increased transparency, the agreement represents a significant step towards aligning business practices and deepening EU-Mexico economic cooperation.



PROMOTION OF SUSTAINABILITY STANDARDS

The EU-Mexico Global Agreement promotes sustainable development through strong, legally binding commitments on environmental protection and labour rights, encouraging companies to operate responsibly and accountably. To this end, the two parties are obliged to promote responsible business conducts in line with UN, ILO and OECD principles.

Importantly, Mexico has committed to effectively implementing the Paris Agreement on Climate Change, the Convention on Biological Diversity, and all other international environmental agreements ratified by both parties. The agreement notably supports the sustainable management of fisheries and forests by combating illegal fishing and logging activities.

Moreover, civil society is empowered through transparent procedures that allow regular monitoring of the agreement's implementation via Domestic Advisory Groups, a dedicated committee, and a specific forum. The Agreement ensures that these commitments are legally binding and enforceable through dispute settlement procedures, overseen by independent panels of experts.

BENEFITS OF THE MODERNISED EU-MEXICO GLOBAL AGREEMENT



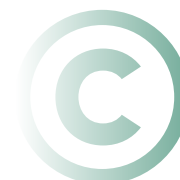
**EXPANDED MARKET ACCESS FOR
GOODS AND SERVICES**



INVESTMENT PROTECTION



PUBLIC PROCUREMENT



**INTELLECTUAL PROPERTY
PROTECTION**

EXPANDED MARKET ACCESS FOR GOODS AND SERVICES

While trade in goods has already expanded significantly under the 2000 EU-Mexico agreement, its modernisation seeks to further facilitate European exports by addressing the remaining trade obstacles.

Under the updated agreement, Mexico has committed to eliminating most of the remaining tariffs, providing European products with a competitive edge on the Mexican market. This will benefit a wide range of sectors, including automotive, machinery, transport equipment, mineral fuels, pharmaceuticals and agri-food products, especially those that will benefit from Geographical Indication protection.

Between 2014 and 2024, the trade in goods between the EU and Mexico grew by 88%⁴. In 2022, EU companies exported €15.2 billion worth of services to Mexico, while importing €7.9 billion⁵. Despite services representing a large share of EU-Mexico trade, significant untapped potential remains. The modernisation of the agreement will create new opportunities by liberalising key services sectors such as digital trade, environmental services, transport, financial services and telecommunications⁶. Service providers will experience a level playing field in the European and Mexican markets, with measures implemented to avoid discrimination from either side, while protecting public services like healthcare or education. This will be achieved through the prohibition of unjustified government interventions in price setting, and by banning dual pricing and export pricing, where export prices are set higher than domestic prices. Digital services will benefit from a dedicated Digital Chapter, which introduces clear and predictable rules for companies operating online, removes barriers to digital trade, and strengthens the protection of online consumers.

⁴ EU-Mexico trade: Facts and figures

⁵ Q&A on the EU's Global Agreement with Mexico

⁶ EU's Global Agreement with Mexico

INVESTMENT PROTECTION

In 2023, the EU was the second-largest investor in Mexico, amounting to €209 billion, while Mexico invested in the EU €27 billion⁷. The modernised EU-Mexico agreement includes key provisions to better protect European investments, aiming to enhance investor confidence and create a more level playing field.

A major achievement of this update is the introduction of the Investment Court System, which replaces the previous investor-to-state dispute settlement mechanism. Its purpose is to strike a better balance between safeguarding investments and respecting governments' sovereign right to regulate. This type of system is now standard in EU trade and investment agreements, including those with Chile, Vietnam, Singapore and Canada. In practice, the EU and Mexico will jointly establish a permanent tribunal, presided over by independent and qualified judges with no conflicts of interest, which will adjudicate relevant cases and issue transparent decisions.

⁷ EU-Mexico trade: Facts and figures



PUBLIC PROCUREMENT

While EU-Mexico economic relations have strengthened over the years, restricted access to government procurement has long remained one of the most significant hurdles for European companies operating in the Mexican market.

With the modernisation of the Agreement, EU companies will gain unprecedented access to public tenders at Mexico's state (sub-central) level. This represents a major competitive advantage for European bidders, as it is the first instance of Mexico granting comparable access to its trading partners. Mexico has also committed to incorporating transparency and non-discrimination rules into its legislation in line with the World Trade Organisation's Government Procurement Agreement.

Within this transparent and predictable framework, European companies will be better positioned to compete for a broader range of public contracts in the Mexican market.

INTELLECTUAL PROPERTY PROTECTION

The Agreement provides strong protection standards on innovation and intellectual property rights, allowing SMEs to easily and securely innovate in the Mexican market. In terms of copyright, the Agreement covers all rights that are already protected under EU legislation, mirroring high European standards. Trademark rights will commit to the Madrid Protocol and the Nice Agreement, allowing for trademark owners to register in multiple countries through a single application and the use of an international classification system respectively. The Agreement will also protect industrial designs for up to 25 years.

Renewed protection of Geographical Indicators (GIs) will cover some 568 European food & beverage products, meaning that only products produced in the EU will be allowed to be sold in Mexico under their protected names. This will also benefit EU artists, making it illegal in Mexico to make unauthorised copies of their work, or to use said work without paying royalties.

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BusinessEurope is the leading advocate for growth and competitiveness at the European level, standing up for companies across the continent and campaigning on the issues that most influence their performance. A recognised social partner, we speak for enterprises of all sizes in 36 European countries whose national business federations are our direct members.



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