



Guide to the new

**EU-Mexico
Trade Agreement**

April 2018

The banner features the European Union flag on the left, the Mexican flag below it, and a background of blue and green geometric patterns with a faint image of a Mexican currency note on the right. The text 'EU-MEXICO' is in large, bold, black letters, with 'TRADE AGREEMENT' in smaller, bold, black letters below it.

EU-MEXICO

TRADE AGREEMENT

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EU-MEXICO TRADE AGREEMENT

Overview

From an existing agreement
to a new one



The EU and Mexico already have a close trading and investment relationship.

In 1997 the EU and Mexico signed an Economic Partnership, Political Coordination and Cooperation Agreement.

Known as the Global Agreement, it included a part on trade, which mostly opened up trade in goods. This trade agreement came into force in 2000. The part of the agreement covering trade in services came into force in 2001.



Now we are replacing the existing Global Agreement with a new one.

Its trade part will open up the Mexican market even more to EU exporters and investors and cover new areas like services and food and drink.



The new Global Agreement will be the basis for the EU's future relationship with Mexico.

In it the two sides also agree to:

- cooperate on issues like climate change and human rights
- work together on issues like combating poverty or researching new medicines.



The existing EU-Mexico trade agreement

This agreement already makes it easier for EU businesses to export to Mexico, in three main ways:

1. Trade in goods

The existing trade agreement covers:

- Customs tariffs – scrapping tariffs on manufactured goods, but not food or drink.
- Other measures – making it easier to export goods by helping EU and Mexican authorities cooperate on:
 - customs procedures
 - international product standards, testing, marking and labelling, food safety and animal and plant health procedures.



148%

Trade in goods between the EU and Mexico has risen by 148% since the existing EU-Mexico trade agreement came into force in 2000.

2. Government procurement

The existing agreement means EU and Mexican firms are treated similarly when they tender for government contracts in Mexico or 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.



3. Competition

In the existing agreement the two sides' competition authorities co-operate on fighting unlawful behaviour on the market, but they have different working methods.



The banner features the European Union flag on the left, the Mexican flag in the center, and a close-up of a Euro banknote on the right. The text 'EU-MEXICO' is written in large, bold, black letters, with 'TRADE AGREEMENT' in smaller, bold, black letters below it.

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The new EU-Mexico trade agreement

Now the EU and Mexico are taking their trading and investment relationship to a whole new level.

We've fully updated the Global Agreement to include a new, much broader trade agreement.

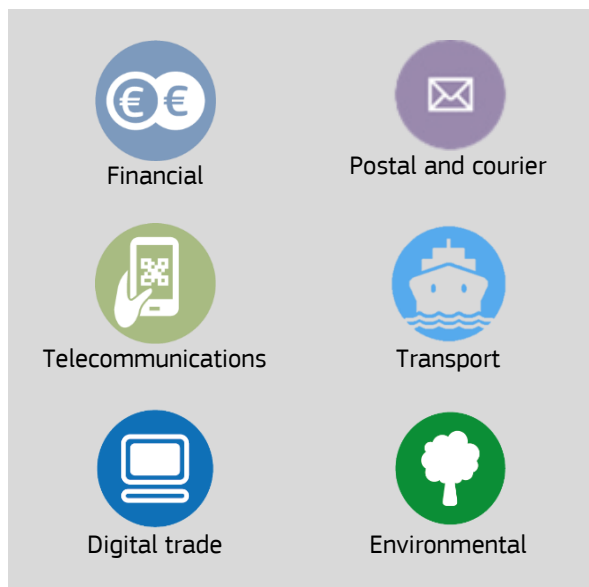
And by doing so, we're creating even more opportunities for EU businesses to grow and create new jobs across Europe.

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1. Trade in services

Greater **access**

Trade in services is a major source of growth in today's global economy. The new trade agreement will give EU firms more access than now to Mexico's market in the following industries:



The new trade agreement also provides a framework for the EU and Mexico to recognise each other's qualifications in certain regulated professions:



Equal treatment

The Mexican government agrees to treat EU suppliers in just the same way as ones from Mexico ('national treatment') when it comes to regulating its services markets.

More **predictability**

Recently Mexico carried out major reforms in the way it manages its service industries, by opening up its energy, telecommunications and financial services markets to foreign companies.



The agreement locks in ('binds') this level of access for EU firms, so their market access is guaranteed now and in future.

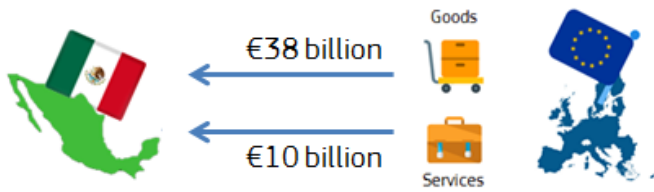
Doing this gives EU companies so-called 'legal certainty' or predictability – which can give them the confidence to set up or expand their operations in Mexico.

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2. Trade in goods

The EU already exports a lot of goods to Mexico.

EU exports to Mexico






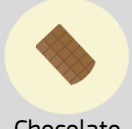

But some hurdles for EU goods exports remain. The new agreement will remove most of these.

2.1 Food and drink

Ending Mexican customs duties

The new agreement will scrap customs duties on most of the remaining goods on which these are still charged. These are almost all food and drink products. It will do so within 7 years of the agreement starting to apply.

Thanks to the new agreement, the EU will be able to export products where it has a strong track record of selling outside Europe, notably:

 Poultry	Before Duties up to 100%	After, with the new agreement 0%
 Cheese	Before Duties up to 45%	After 0%
 Pork	Before Duties up to 45%	After 0%
 Chocolate	Before Over 20%	After 0%
 Pasta	Before Duties up to 20%	After 0%



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Protecting EU Geographical Indications (GIs)

GIs are distinctive food and drink products from specific regions in the EU.



The new agreement aims to make it illegal in Mexico to sell imitations of 340 distinctive foods and wines from specific regions in the EU, such as Champagne, Parma ham and Balsamic Vinegar from Modena.



This will give these products a similar level of protection as in the EU. This is in addition to the Geographical Indications for EU spirits that Mexico already protects.

Promoting and protecting Europe's famous food and drink products outside the EU is a top priority.

Protection for
340
EU food and
drink products

Examples of EU GIs that the trade agreement will protect		
 Wines, beers, spirits etc.	 Spain	Jerez
 Cheese	 France	Comté
 Meat	 Germany	Nürnberger Bratwürste
 Fruit, nuts, sweets	 Greece	Elia kalamatas
 Cheese	 	Queijo S. Jorge



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Protecting sensitive EU products

Some 'sensitive' EU products are particularly susceptible to competition. The new agreement will protect such products by:

- limiting how much of them Mexico can export to the EU under preferential tariffs
- allowing the EU to stop preferential imports from Mexico if there is a sudden surge which puts EU producers at risk.

Ensuring food safety and animal and plant health

Thanks to the new agreement, Mexico and the EU will make it easier for producers to export food and drink products in two other ways:

- **standards** – Mexico has agreed to base its requirements on international standards that ensure food safety and animal and plant health – known as sanitary and phytosanitary (SPS) rules.
- **cooperation** – Mexico has agreed that its agencies that draw up and enforce SPS rules will be in regular contact with their counterparts in the EU.

2.2 Industrial products

Continued duty-free access

Under the original EU-Mexico trade agreement, manufactured goods from the EU could already enter Mexico free of customs duties. The new agreement will continue this free access.

It will also make it easier for EU exporters to meet Mexico's technical requirements for products, such as:

- the way they're marked or labelled with information for consumers
- the procedures that EU exporters have to complete to show that their products meet Mexican standards ('conformity assessment procedures').

Simpler customs procedures

The agreement will also bring in new rules to simplify and speed up paperwork and physical checks at Mexican customs. This will ensure that EU and Mexican customs agreement with shipments in a similar way.



Lifting barriers like these will benefit EU exports in several industries, notably:

- machinery
- pharmaceuticals
- mineral fuels
- transport equipment



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Making it easier to meet Mexico's technical requirements

The agreement also tackles differences between the EU and Mexico in their technical requirements for products – for the way they perform, are tested for safety, or are labelled, for example. These are known as technical barriers to trade.

These differences can make it harder for EU companies to compete in the Mexican market. To make it easier, the agreement will address:



International standards

Promoting the use of international standards widely used in the EU and around the world, such as those agreed in the International Organisation for Standardisation (ISO), for everything from machinery to toys.



Simpler product checks

Making it easier for EU companies to fulfil procedures, such as safety testing, which show that EU products meet technical requirements in Mexico (certification).



Easy-to-find Information

Ensuring EU companies can easily find details of regulations and standards that apply to goods in Mexico.

In the agreement the EU and Mexico also agree to apply what's known as 'good regulatory practices'. When regulators prepare new regulations, or seek to update existing ones, they will be fully transparent - for example, by:

- publishing in advance the list of topics or products on which they intend to regulate
- consulting with business, consumers, civil society or any interested person
- making it easier for companies to find the applicable regulations online.

Regulators will also assess:

- the need for regulations
- the likely impact of their proposals
- the impact of their regulations after they have been applied.

All this will make it easier for:

- EU regulators to understand the way their Mexican counterparts make decisions about new regulations, and
- Mexican regulators to understand the way their EU counterparts make such decisions.

And that will in turn promote trust between them.



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3. Public procurement

The existing EU-Mexico trade agreement allows EU suppliers to tender for contracts to supply goods and services to parts of Mexico's federal government.

The new agreement will:

- enable EU firms to tender for contracts with more parts of Mexico's federal government
- enable EU firms to tender for 'Public-Private Partnership' contracts in Mexico

Mexico has also committed itself to enter into negotiations with the Mexican States to allow EU firms to tender for contracts at State level by the time the agreement is signed. This will be the first time Mexico has opened its public procurement at State level to non-Mexican firms.

The agreement will also:

- see Mexico bring its rules on transparency and non-discrimination in line with those of the World Trade Organisation's Government Procurement Agreement
- include new provisions to allow buyers to procure goods, services and works with a reduced environmental and social impact.
- mean that Mexico makes its tendering process more transparent by publishing tenders on a single procurement website.

In 2015 Mexico's federal government issued procurement contracts worth over

€30 billion

4. Intellectual property

The new agreement improves the protection in Mexico of intellectual property owned by EU individuals or companies.

This includes:

- making it illegal in Mexico to sell imitations of distinctive food and drink products from specific regions in the EU, such as Champagne, Parma ham and Balsamic Vinegar from Modena
- protecting EU artists' work, for example by making it illegal in Mexico to make unauthorised copies of their work or to use it without paying royalties.





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5. Digital trade

The new agreement seeks to ensure that whatever people in the EU or Mexico can do offline, such as selling things to each other, they can do online as well, and just as easily and securely.

It removes barriers to online trade, introduces rules so firms can operate online with certainty, and protects online consumers.



Removing barriers

Removes unnecessary barriers to online trade - by, for example, preventing either side from charging customs duties on electronic transmissions, such as downloading an app onto a phone.



Adopting rules

Puts in place clear rules about doing business online; these will enable companies to operate and plan in confidence (giving them 'legal certainty'), by, for example:

- guaranteeing that things like electronic contracts or signatures, or digital certificates, are legally valid
- preventing Mexico or the EU from requiring a company to provide access to the source code of software that it owns (such code is a major asset for companies)



Protecting consumers

Ensures consumers can securely buy goods and services online, by:

- putting in place clear rules to protect them
- tackling the spread of junk mail ('spam')
- having easy access to the open internet, ie being able to:
 - use any online service or application they choose
 - connect to the internet using any device they choose.

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6. Small companies

The new agreement helps EU small firms export more by:

- making it easier to access the information they need
- streamlining technical requirements and testing for products to be let into Mexico.



7. Fighting corruption

The new agreement will be the first EU trade agreement to include measures to better coordinate the fight against corruption in both the private and public sectors.

It also includes measures to tackle money laundering.



8. Environment and labour rights

In addition to making it easier to trade between the EU and Mexico, the new agreement promotes sustainable development by setting out strong, legally binding commitments on:

- environmental protection
- respect for people's rights at work.



It also promotes schemes including:

- **corporate social responsibility** – encouraging firms to operate responsibly and accountably
- **sustainability assurance** – allowing companies to show they make their products in a way that respects people and the environment
- **sustainable sourcing** – certifying that firms use natural resources like timber in a way that preserves them for future generations.

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9. Investment

In the new agreement, the EU and Mexico have agreed on measures to:

- make it easier for EU companies to invest in Mexico
- set rules to protect investors from unfair treatment by governments

The new agreement replaces existing agreements and will ensure a high level of protection for investments between the EU and Mexico.

Many existing trade agreements include an old system for resolving disputes between foreign investors and governments, called investor-state dispute settlement (ISDS). The EU and Mexico will replace this with a new Investment Court System.

Features of the new Investment Court System



Independent

Professional, independent judges bound by a strict code of conduct



Transparent

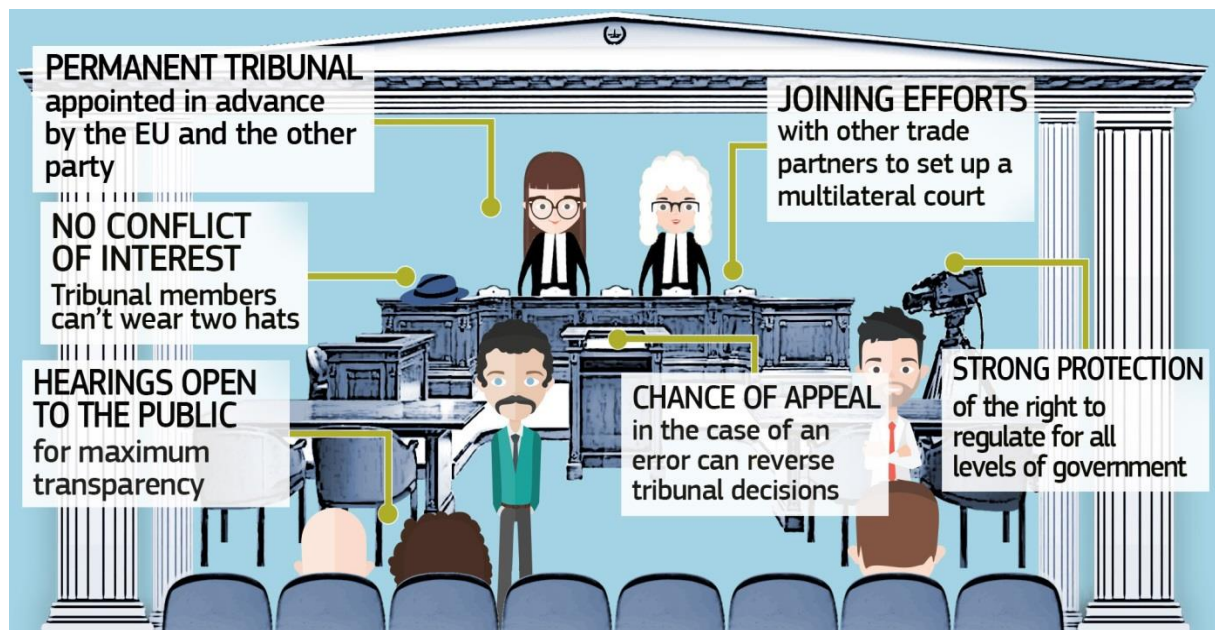
Hearings held in public
Documents relating to cases published online



Fair

Clearly-specified grounds on which an investor can challenge a state

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In figures¹

The EU-Mexico trade and investment relationship

About Mexico



128 million

Population



€8,000

Average annual income



€1.05 trillion

Annual size of the economy (GDP)

Rankings as trade partners



3rd

The EU is Mexico's 3rd biggest trading partner in goods.



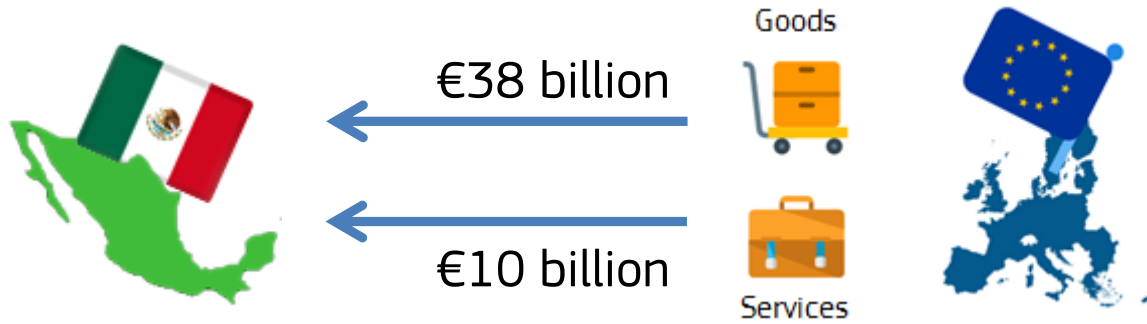
13th

Mexico is the EU's 13th biggest trading partner in goods.

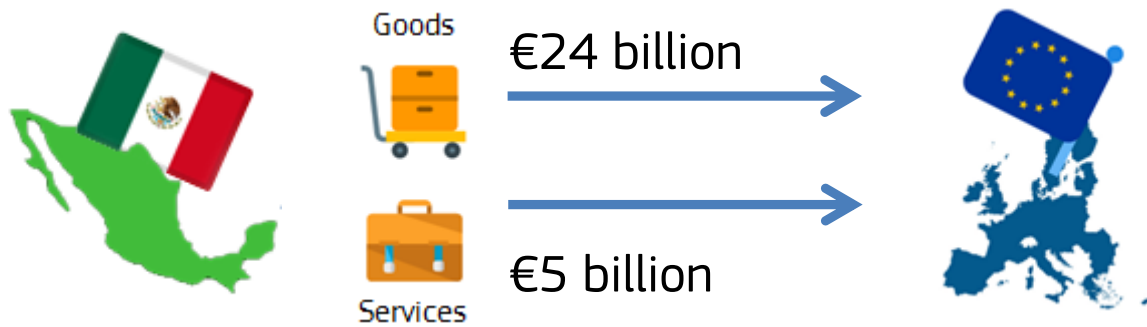
¹ Source: International Monetary Fund, European Commission (Eurostat, DG Trade).
Trade in goods figures: 2017. Trade in services figures: 2016.



EU exports to Mexico



EU imports from Mexico



EU balance of trade in goods with Mexico








€38 billion	-	€24 billion	=	€14 billion
EU exports to Mexico		EU imports from Mexico		EU surplus

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EU exports to Mexico – by category








Goods (2017)



Machinery	€13.6 bn, 36%	
Transport equipment	€6.3 bn, 16%	
Chemicals	€5.4 bn, 14%	
Base metals	€2.8 bn, 7%	
Plastics, rubber	€1.8 bn, 5%	
Other	€8.0 bn, 21%	
Total	€38.0 bn, 100%	

Services (2016)



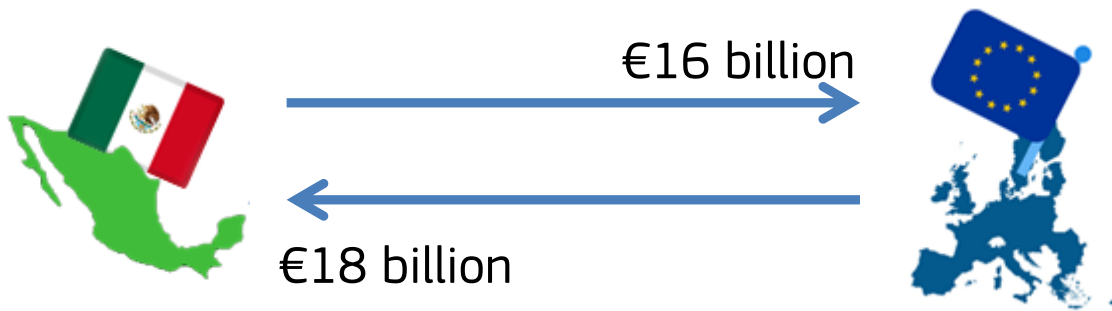
Other business services*	€3.2 bn, 32%	
Transport (moving people or goods)	€1.7 bn, 17%	
Information technology, telecommunications	€1.4 bn, 14%	
Travel (Mexican residents visiting EU)	€1.2 bn, 12%	
Intellectual property charges	€1.0 bn, 10%	
Other	€1.5 bn, 15%	
Total	€9.8 bn, 100%	

Other business services include:

Accountancy	Leasing
Advertising	Legal services
Architecture	Public relations
Consultancy	Research and development
Engineering	Waste treatment



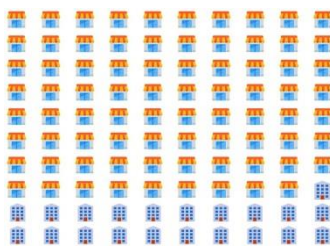
EU-Mexico investment flows, 2015



EU-Mexico accumulated investment (investment stocks; € billion), 2015

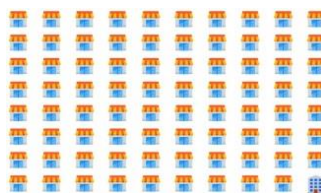


EU companies and jobs linked to Mexico



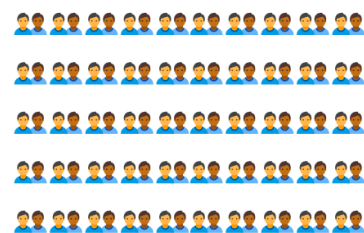
45,300

Number of EU companies exporting to Mexico.



82%

Share of EU companies exporting to Mexico that are smaller firms.



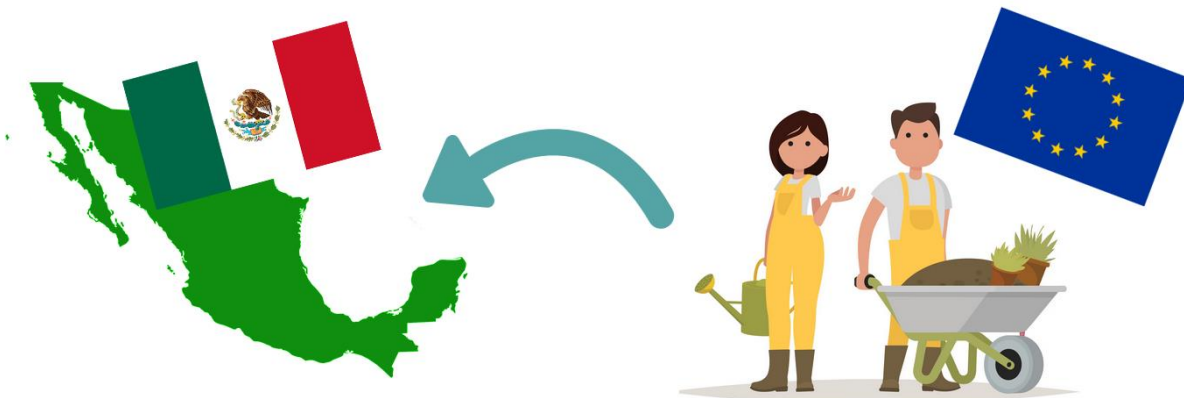
400,000

Number of jobs in the EU tied to exports to Mexico

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Agriculture

How the agreement benefits the EU



€1.4 billion

The value of the EU's annual food and drink exports to Mexico

2

Mexico's ranking amongst the EU's trading partners in Latin America

1. **Scrapping** customs duties

EU product	Mexican customs duties	
	Now	With the new agreement
	Mexican duty rate on EU exports	Volume of annual EU exports which can enter Mexico at 0% duty rate
 Poultry	Up to 100%	no limit for the economically relevant products
 Cheese	Up to 45%	no limit for blue cheeses, 5,000 tons for fresh and processed cheeses and 20,000 for other cheeses.
 Pork	Up to 45%	no limit for virtually all products
 Chocolate, confectionery	Over 20%	no limit
 Pasta	Up to 20%	no limit

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2. Protecting 340 **Geographical Indications (GIs)**



Geographical Indications are distinctive foods and wines and spirits from specific regions in the EU. The new agreement aims to make it illegal to sell imitations of **340** of them in Mexico. This is a similar level of legal protection from imitations as in the EU.

Promoting and protecting Europe's flagship food and drink products in countries outside the EU is a top priority for the new, as it is for any EU trade agreement.

Some of the EU's distinctive food and drink products the new agreement aims to protect

Wines, beers and spirits		Cheeses		Meat and fish		Fruit, nuts, sweets	
Origin	Product	Origin	Product	Origin	Product	Origin	Product
 Czech Rep.	České pivo	 Netherlands	Gouda Holland	 Austria	Tiroler Speck	 Cyprus	Loukoumi Geroskipou
 Italy	Chianti	 Denmark	Danablu	 Hungary	Szegedi szalámi	 Greece	Elia kalamatas
 Portugal	Porto	 Italy	Fontina Reggiano	 Slovenia	Kranjska klobasa	 France	Pruneaux d'Agen
 Spain	Rioja	 Portugal	Queijo S. Jorge	 Germany	Nürnberger Bratwürste	 Romania	Magiun de prune Topoloveni

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 Germany	Bayerisches Bier	 Greece	Feta	 Italy	Prosciutto di Parma		
 France	Champagne			 Belgium	Jambon d'Ardenne		
 Hungary	Tokaj			 United Kingdom	Scottish Farmed Salmon		
 Sweden	Swedish Aquavit*			 Croatia	Baranjski kulen		
 Poland	Polish Vodka*						
 Bulgaria	Dunavska ravnina						
 Lithuania	Original Lithuanian vodka*						
 Ireland	Irish Cream*						
 Slovakia	Spišská borovička*						
 Finland	Vodka of Finland*						

* Protection of GI under 2000 agreement reconfirmed in 2018 agreement



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3. Protecting European **consumers** and keeping food safe

The agreement safeguards current EU standards for food safety and animal and plant health, and governments' right to set new ones in future. And it upholds what's known as the 'precautionary principle.'

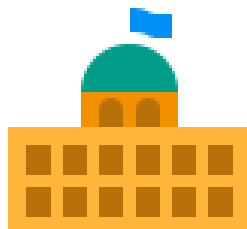


Upholds EU
standards

The new trade agreement safeguards the EU's right to apply our own standards to all goods and services sold in Europe.

All imports from Mexico have to meet EU existing rules on:

- technical standards for products
- consumer safety
- environmental protection,
- animal and plant health
- food safety and genetically modified organisms (GMOs).



Protects the **right to regulate** in future

The new trade agreement allows us in the EU to regulate as we wish – in other words, to set higher standards and levels of protection for product and food safety, people at work, or the environment, if we want.

The agreement protects EU governments' "right to regulate" in these and other areas. The chapter on trade and sustainable development includes those safeguards.



Upholds the
precautionary principle

EU governments have a legal right to act to protect human, animal or plant health, or the environment, in the face of a perceived risk and at a level they consider appropriate.

The right applies even when scientific analysis is not conclusive – when governments want to act on the basis of the 'precautionary principle'.

EU law, which EU trade agreements must respect, enshrines the precautionary principle. The new trade agreement also upholds it.



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Promotes **animal welfare**

The EU and Mexico have agreed to cooperate more closely to raise standards of welfare for animals reared to produce meat.

Both sides agree to:

- recognise animals as sentient beings (EU law already does so)
- improve implementation of animal welfare laws

Farmers face different demands when ensuring the welfare of their animals, depending on:

- the way they rear them
- the rules and regulations they have to comply with.

EU and Mexican officials will take these differences into account in their discussions.



Tackles **resistance to antibiotics** and other issues

The EU and Mexico have agreed to set up a working group so their agricultural officials and scientists can meet regularly.

They will exchange expertise, experiences and best practices, and in that way learn from each other.

Their discussions will cover:

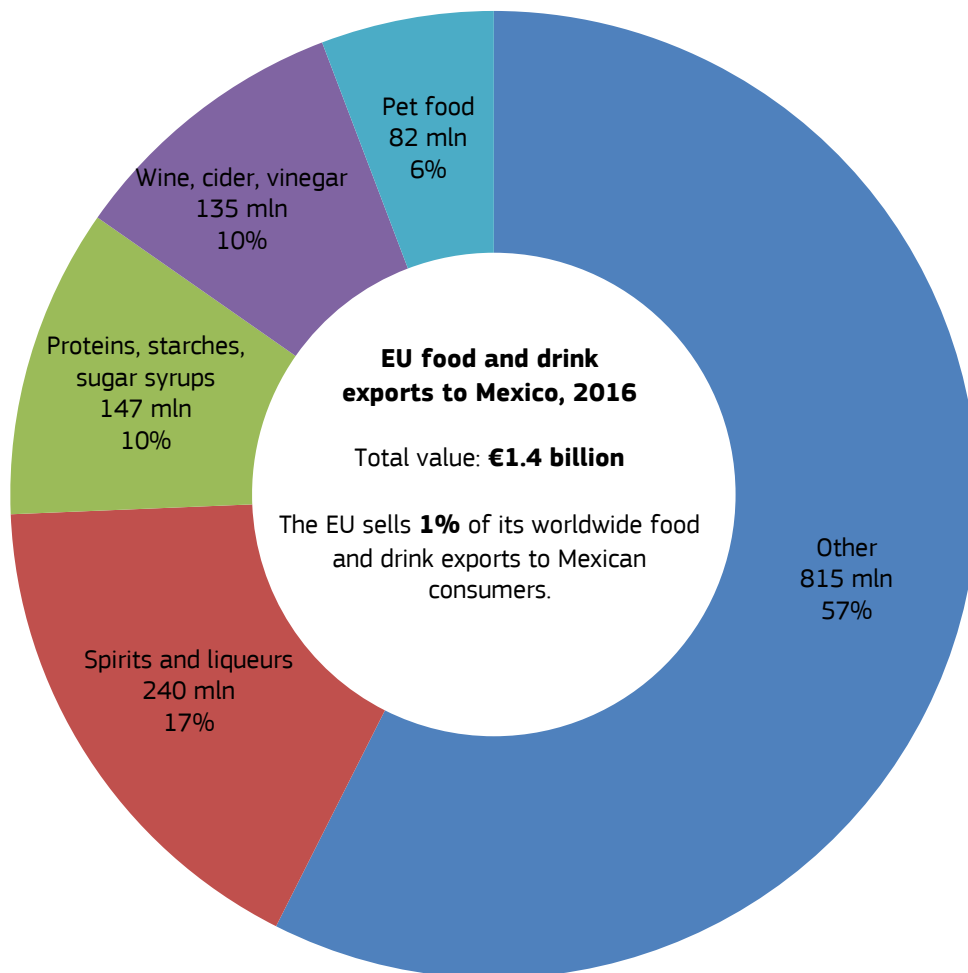
- the growing problem of resistance to antibiotics, particularly in animals reared for meat
- animal welfare.

The agreement will enable the two sides to:

- influence international discussions about these topics
- strengthen our systems for antimicrobial resistance and animal welfare.



4. EU food and drink **exports** to Mexico





Strategic benefits

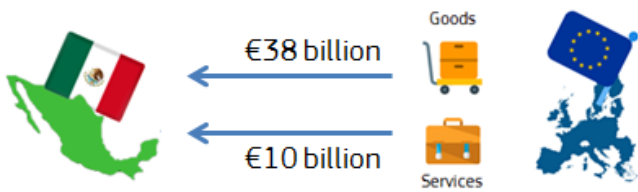
The EU-Mexico trade agreement helps us in the EU to achieve our goals in the wider world. It allows us to deepen our close relationship with Mexico, take a stand for open trade, and work to shape global trade rules in line with our shared values.



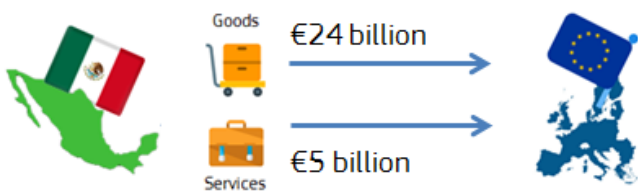
A new agreement for a new era

The EU and Mexico already have close trading and investment ties.

EU exports to Mexico



EU imports from Mexico



EU-Mexico investment flows, 2015



And we have stuck to both the letter and the spirit of our existing trade agreement.

Since the existing EU-Mexico trade agreement came into force in 2000, trade in goods between the EU and Mexico has risen by 148%.

400,000²
Number of jobs in the EU tied to exports to Mexico

Both sides have benefited as a result.

Now the time is ripe for a new agreement to replace it, for several reasons.

² 2011 estimate.

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1. Adapting to changing economies

In the 20 years since the EU and Mexico signed our existing agreement, the EU has:

- grown to include 13 new Member States
- deepened its internal (single) market and introduced the euro.

And Mexico has become one of the world's most dynamic economies.

Since 2000, average incomes in Mexico have risen by...



...almost
20%

2. Covering more aspects of trade and investment

Since the EU and Mexico signed the existing agreement, the EU has concluded trade agreements with other partners which cover trade and investment more fully. They include measures to:

- ensure governments treat overseas investors fairly (investment protection)
- protect intellectual property and stop unlawful imitations.

The new trade agreement also covers these areas.

3. Putting our joint ambitions into practice

The EU and Mexico are strategic partners. The EU-Mexico Global Agreement, including the existing trade agreement, is the legal basis of this partnership.

We now want the trade part to match the ambition which our partnership embodies. So it's time to replace it. Doing so will benefit us in Europe, by:

- creating jobs which are on average higher-paying than jobs not tied to exports
- lowering prices and making more products and services available for consumers
- encouraging companies to innovate.



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Taking a stand for open and fair trade

Open trade happens when goods and services flow freely across borders. It:

- allows us to tap into new markets, creating growth and higher-paying jobs
- helps our companies compete by getting the raw materials and parts they need to make their products
- helps us shape the rules of global trade so it promotes economic growth, workers' rights and environmental protection, and is fair.

The new EU-Mexico trade agreement promotes open trade. And by doing so it helps us in the EU to reap the benefits of globalisation – the increasing flow of goods and services, capital, ideas and culture around the world.

For these reasons, the EU and Mexico believe that now is the time to build bridges, not walls.

We can only address the challenges our societies face by keeping trade open – not by resorting to protectionism, which involves:

- imposing or raising customs duties on imported goods
- applying quotas (limits on the amount of imports)
- restricting trade in other ways.

The new agreement sends a signal to the rest of the world that two developed economies are committed to open trade – a signal echoed by the EU's agreements with Canada and Japan.





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Working together to shape globalisation

We in the EU need to work with like-minded countries and regions. And Mexico is a good partner for the EU, with many similar values.

For example, we both:

- are established democracies
- set high health and safety standards for products
- share similar ideas about the rules needed to protect our societies.

We also face many challenges with a global dimension, such as:

- protecting the environment
- tackling climate change
- securing access to reliable energy supplies.

With the new EU-Mexico agreement, we're building on our history of cooperation, and on our shared values, to address these challenges.

We want to shape globalisation so everyone in our societies benefits – for example, by ensuring that trade between us promotes environmental protection and labour rights.





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Standards and values

A progressive agreement for sustainable development

The new EU-Mexico agreement is a progressive trade agreement. That means it has some of the strongest commitments ever included in a trade agreement to promote sustainable development – where a country or region grows its economy, strengthens people's rights at work and protects the environment.

In the agreement both sides pledge to apply international rules on workers' rights and environmental protection. Mexico commits to tackling corruption and defending human rights. And these pledges are binding, with the same legal value as any other provision in the new EU-Mexico trade agreement.



Combating corruption

The new EU-Mexico trade agreement is part of a wider Global Agreement between the EU and Mexico which will include measures to prevent and combat corruption.

Both sides commit themselves to:

- making bribery a criminal offence for government officials
- consider making bribery an offence for businesses too
- ensuring that private individuals or businesses that act in a corrupt way can be prosecuted.

The EU and Mexico will also work on preventing corruption. They reaffirm that they will:

- introduce codes of conduct for government officials
- encourage companies to:
 - train their staff in ethics
 - officially inspect (audit) and publish their accounts.

The two sides will also tackle money laundering.

The EU and Mexico aim to ensure that:

- the identity of who really owns a bank account, trust or fund is always known and tax, judicial and other relevant authorities can access that information.

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Supporting human rights

Meeting regularly

The trade agreement is a part of the wider new Global Agreement between the EU and Mexico, which will strengthen cooperation and the regular high-level meetings between Mexico and the EU in the areas of human rights, security and justice.

Funding programmes

The EU will continue to support projects implemented by non-governmental organisations to promote human rights, social cohesion and security in Mexico, as well as the role of civil society.

Involving civil society

The new agreement will enable the EU and Mexico to discuss a range of issues like human rights with civil society, including:

- trade unions
- environmental campaigners
- human rights groups
- business associations
- journalists
- academia and think tanks.

Doing so will give the EU more ways to discuss human rights with Mexico than we have now.



Working together on sustainable development

In the new trade agreement the EU and Mexico pledge to:

- cooperate on environmental and labour rights issues that have a link to trade
- put into practice all the Multilateral Environmental Agreements they have signed up to, including the Paris climate agreement.



Pledges on **fisheries, forests, biodiversity**

The agreement also includes commitments on:

- promoting the sustainable management of fisheries and forests
- conserving biodiversity
- combating the illegal trade in endangered species.

The EU and Mexico will also promote trade in environmentally friendly products like sustainably produced cocoa and coffee.



Upholding **labour rights**

The new trade agreement commits the EU and Mexico to continue working towards ratifying and implementing the fundamental conventions of the International Labour Organisation (ILO). These help protect people's basic rights at work.

EU-MEXICO TRADE AGREEMENT



Promoting **other initiatives**

The EU and Mexico have also agreed to promote initiatives focused on:

- encouraging companies to operate:
 - responsibly, including by respecting the environment, and people's rights at work
 - accountably – for example, by being open about where they buy the inputs to make their products
- fair trade schemes
- energy efficiency and using climate-friendly technologies
- recycling.



Preventing a **race to the bottom** on standards

A race to the bottom happens when governments compete to attract investment from foreign companies by lowering their labour or environmental standards to cut companies' costs.

In the new trade agreement both sides agree that more trade and investment should not be at the expense of environmental protection or labour rights.

On the contrary, the EU and Mexico are committed to ensuring that our new trade agreement helps ensure that economic growth, social development, and environmental protection go hand in hand.



Enforcement and a role for **civil society**

The new trade agreement gives EU and Mexican civil society groups a strong role in putting into practice the commitments made in the agreement. Such groups include trade unions, environmental bodies, and business associations.

The commitments are enforceable. That means there is a fully transparent procedure for resolving concerns civil society may have about how the new trade agreement is being implemented.

Both the EU and Mexico have to follow the procedure, within an agreed period of time.

This involves:







- governments
- a panel of independent experts
- civil society groups
- the International Labour Organisation.



Safeguards

Six ways the agreement guarantees the EU's interests

As with all its trade agreements, the EU's agreement with Mexico safeguards the interests of the EU and its citizens.

1		Upholds EU standards	4		Upholds the right to act to protect health ('precautionary principle')
2		Guarantees governments' right to regulate	5		Protects public services
3		Prevents a race to the bottom on standards	6		Protects sensitive EU products

EU-MEXICO TRADE AGREEMENT



Upholds **EU standards**

The new trade agreement safeguards the EU's right to apply our own standards to all goods and services sold in Europe.

All imports from Mexico have to meet EU existing rules on:

- technical standards for products
 - consumer safety
 - environmental protection,
 - animal and plant health
- food safety and genetically modified organisms (GMOs).



Guarantees governments' **right to regulate**

The new trade agreement allows us in the EU to regulate as we wish – in other words, to set higher standards and levels of protection for product and food safety, people at work, or the environment, if we want.

The agreement protects EU governments' "right to regulate" in these and other areas. The chapter on trade and sustainable development includes those safeguards.



Prevents a **race to the bottom** on standards

A race to the bottom happens when governments compete to attract investment from foreign companies by lowering their labour or environmental standards to cut companies' costs.

The new trade agreement prevents the risk of this happening. It prohibits governments from making exceptions to or not enforcing their domestic laws to try to encourage trade and investment. And it encourages companies to operate responsibly and transparently – for example by saying who their suppliers are.



Upholds the **precautionary principle**

EU governments have a legal right to act to protect human, animal or plant health, or the environment, in the face of a perceived risk and at a level they consider appropriate.

The right applies even when scientific analysis is not conclusive – when governments want to act on the basis of the 'precautionary principle'.

EU law, which EU trade agreements must respect, enshrines the precautionary principle. The new trade agreement also upholds it.



Protects **public services**

EU governments fully retain the right to keep public services public, and decide for themselves how they want to provide healthcare, education or other services.



Protects **sensitive EU products**

Some EU products are particularly sensitive to competition from imports from outside the EU. They are known as 'sensitive products'.

The new trade agreement will protect EU products such as beef by:

- limiting how much of them Mexico can export to the EU under the preferential tariff
- allowing the EU to stop preferential imports from Mexico if there were a sudden surge which put EU producers at risk.

EU-MEXICO TRADE AGREEMENT

The negotiating process

NEGOTIATING EU TRADE DEALS – HOW IT WORKS

The European Commission conducts a scoping exercise and impact assessment.
This includes a public consultation.



The Commission:

- proposes negotiating directives to the Council of the EU
- sends its proposal at the same time to the European Parliament and national parliaments
- publishes the proposal online to facilitate public debate.



The Council adopts the negotiating directives and instructs the Commission to negotiate on behalf of the EU.



The Commission negotiates on behalf of the 28 EU countries.

Throughout the process the Council and the Parliament:

- scrutinise the process closely
- regularly meet the negotiators
- receive negotiating documents and reports.

The Commission **publishes** EU negotiating proposals, reports of negotiating rounds and explanatory documents throughout the talks.

Commission negotiators hold regular meetings with **stakeholders and civil society**

At the end of the negotiations, **the Commission publishes the text of the agreement as soon as possible.**

If the agreement is 'EU-only':



The Council approves the results of the negotiation.



The European Parliament gives its consent to the agreement.

If the agreement is 'mixed':

The Council approves the results of the negotiation.

The European Parliament gives its consent to the agreement

National Parliaments in each EU country ratify the agreement.

