



सत्यमेव जयते

Embassy of India
Mexico City



June 2022

Commercial Report



A report on the various commercial events that have taken place in the month of June 2022 in Mexico and Belize, and have relevance for India. For more information, please write to Ms. Vallari Gaikwad, SS (Eco & Com), Embassy of India, Mexico City at com.mexico@mea.gov.in.



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THE ECONOMY

World Bank cuts Mexico's GDP growth forecast to 1.7%

World Bank presented its new economic outlook in which it slashed the estimated growth for Mexico this year, in contrast to a better forecast for the Latin American region. In its World Economic Outlook, the World Bank downgraded Mexico's Gross Domestic Product (GDP) projection from 2.1 to 1.7% for this year. The institution's forecast is far from what the government of President AMLO expected. The growth forecast for this year, modified by the Ministry of Finance and Public Credit (SHCP) in recent months, foresees a GDP of 3.4%.

Mexico received \$12.5 billion dollars in remittances during the first quarter of 2022

Ministry of the Interior reported, with estimates made by the Migration Policy, Registration and Identity of Persons Unit (UPMRIP), that in 2021 the proportion of remittances received in relation to the Gross Domestic Product (GDP) was the highest in the last 20 years, at 4%. It also detailed that as of the first quarter of 2022, Mexico has received US \$12.5 billion US in remittances. They specified that for this same year, the states of Jalisco, Michoacán and Guanajuato were the most prominent states, receiving 10.1%, 9.7% and 8.4%, respectively, of the remittance income in the country.

Economic activity advanced just 0.1% in May

Mexican economy grew by 0.1% in May, as compared to April, in seasonally adjusted terms, as estimated by the National Institute of Statistics and Geography (INEGI). The agency said that in May and at an annual rate, the Timely Indicator of Economic Activity (IOAE) anticipates an increase in the Overall Indicator of Economic Activity

(IGAE) of 1%. The Mexican economy grew slightly faster than initially estimated in the first quarter, expanding by 1% over the previous three months, amid a recovery in manufacturing and services.

Inflation stood at 7.88% in the first half of June

Despite the government's efforts and the tightening of monetary policy, consumer inflation continued to accelerate in the first half of June, according to data published by the National Institute of Statistics and Geography (INEGI). In the first half of June, the National Consumer Price Index (NCPI) showed a monthly increase of 0.49%, bringing annual inflation to 7.88%. This represented an acceleration in the level of inflation since in the second half of May, the national price increase averaged 7.72%. The Bank of Mexico (Banxico) in its monetary policy decision, expects an increase in its interest rate of at least 75 basis points to 7.75%.

International tourism revenues exceed 2019 levels in first four months of the year

International tourism revenue exceeded pre-pandemic levels in the first four months of the year, official data published by National Statistics Agency INEGI. Federal Tourism Minister Miguel Torruco Márques reported that international tourists spent \$8.67 billion US dollars in Mexico between January and April. Revenue was 123.8% higher than in the first four months of 2021 and 3.7% higher than in the same period of 2019. International tourists who arrived by air between January and April spent an average of \$1,153 US dollars each, an 8.8% increase compared to the same period of last year. Average expenditure for all international tourists, people who arrived by air, land and sea, was just under \$745, a 56.1% increase compared to last year and a 30.8% spike compared to 2019, Torruco said. The increase in individual expenditure allowed revenue to exceed 2019 levels even though fewer international

tourists visited Mexico. Torruco said that just over 11.64 million international tourists entered the country in the first four months of the year, a 43.4% increase compared to the same period of last year but a 20.8% decline compared to the January-April period of 2019, when 14.7 million international tourists visited.

Mexico remains in the top 10 for FDI inflows in the world

Mexico remained the tenth largest recipient of Foreign Direct Investment (FDI) in 2021, according to an annual report by the United Nations Conference on Trade and Development (UNCTAD). In that year, Mexico received \$32 billion US dollars of FDI, up from \$28 billion US dollars in the previous year. Flows into Mexico increased with new capital investments in the mining and extractive industries, as well as in the automotive sector. The report notes that China's Huawei announced it will open a \$4.5 billion US dollars cloud data centre in the country.

Inflation in Mexico closes at 7.65% in May 2022

Inflation in Mexico decelerated marginally during May 2022, after three consecutive months of increases, but was above consensus, according to data from the National Institute of Statistics and Geography (INEGI). Inflationary pressures were part of the core component, which accumulated 18 consecutive months of upward movement. The National Consumer Price Index (NCPI) stood at 7.65% at annual rate during the fifth month of the year; the result comes after it stood at 7.68% in April.

Mexican exports grew by 22% in May 2022.

Mexico exported products worth \$50 billion US dollars in May, which represented an increase of 22.4% year-on-year and its fourth consecutive month of double-digit growth, INEGI reported. Mexico's imports climbed 29.1% at annual rate,

which marked a record of \$52.22 billion US dollars and accumulated 15 continuous months of double-digit growth. Mexico registered a deficit in its trade balance of \$2.2 billion US dollars. This result occurs while the Bank of Mexico reported that available indicators suggest that world economic activity slowed during the second quarter, while global inflation continued to rise, reaching in some cases its highest level in decades, pressured by the persistence of bottlenecks, the recovery of demand and high food and energy prices.

TRADE, INVESTMENT & INFRASTRUCTURE

Nuevo León, in the top 3 entities to invest in Mexico

According to the Federal Ministry of Economy, in the first quarter of the year, Nuevo León attracted \$1,105.8 million US dollars in Foreign Direct Investment (FDI), behind Mexico City, with \$7,973 million US dollars, and Jalisco, with \$1,318.9 million US dollars. Nuevo León is the perfect state to do business and invest, it has a strategic geographic location, economic openness, excellent connectivity, and a focus on higher education, and excellent workforce. According to the Ministry of Economy, in the first six months of the new administration, 24 projects for \$2.2 billion US dollars of Foreign Direct Investment were captured, which exceeds the figures reached by several countries, such as Argentina where \$462 million US dollars were invested in the first quarter, followed by the United States with \$447 million US dollars; Spain with \$168.0 million US dollars; Denmark with \$42.4 million US dollars and other countries with \$37.0 million US dollars, to mention a few.

Report reveals record investment in Mexican and Latin American startups

Startups or emerging companies in Mexico and Latin America surpassed a record investment of \$15 billion dollars in 2021, according to a report by Endeavor, an international entrepreneurship association. Eighty percent of the investment was concentrated in Brazil and Mexico, detailed the study "Ecosystem of venture capital and growth equity in Latin America", which analysed nearly 2,000 emerging companies in those countries, in addition to Chile, Colombia and Argentina, as well as more than 3,650 investment rounds and more than 1,200 active investors. Mexico has become the top international expansion destination for Latin American entrepreneurs because they consider the country the second largest market after Brazil.

Coppel to invest \$40 billion pesos between 2022 and 2024

Between this year and 2024, Grupo Coppel will invest more than 40 billion pesos in the country, seeking to boost employment in the country. According to the company that combines the store chain, Banco Coppel and Afore Coppel, in the past three years it has invested more than 31 billion pesos in technology, logistics, new stores and remodelling, as well as the Digital Campus and the use of solar panels on the roofs of 270 stores. However, for the next three years the company will increase the amount of investment by 29 percent, as it plans to allocate 40 billion pesos to all divisions of its business models. In the following years the company seeks to open five distribution centres, which will be located in Aguascalientes, Chihuahua, San Luis Potosí, Querétaro and Tijuana.

Yucatan activates infrastructure works

Despite the fact that tourism has returned to

Yucatan, the state has several active infrastructure related works with which, it seeks to enshrine its economic development, according to Governor Mauricio Vila Dosal. Puerto Progreso will be expanded to receive larger ships and even cruise ships. Currently cruise ships only pass in front of Progreso, without being able to halt at the port. Support is being given to the Tren Maya, and it is expected that the sections of this project that will pass through the Yucatan will be operational by 2023. A third infrastructure project, which is expected to boost Yucatán's development, is the construction of the large Parque de la Plancha, which is being built near Paseo de Montejo, on a 22-hectare site, with an investment of more than \$1 billion US dollars. The Meteor Museum will be inaugurated in July 2022.

Chancellor Ebrard promotes startups to generate economic growth in Mexico

The Accelerator Forum for Synergies between Startups, Tec Sector and Government (FASSST), led by Foreign Minister Marcelo Ebrard Casaubon, was held at the Ministry of Foreign Affairs, with the aim of discussing multiple issues related to Mexico's international competitiveness. As well as to better position Mexicans on the global scale so that projects that offer greater wellbeing to the population find opportunities for foreign investment. The FASSST Forum brought together more than 50 Mexican CEOs from innovative fields such as Fintech, logistics, Healthtech, Insurtech, Blockchain, e-commerce and Software with authorities from the Federal Public Administration. The Chancellor made a commitment to the entrepreneurs to "*facilitate their presence abroad,*" in order to accelerate the economic growth of our country. During the meeting, three plenary meetings and nine simultaneous roundtables were held to address issues such as Mexico's international competitiveness, digital governance, telework,

and investments in education and health.

\$9.331 billion pesos to be invested in methanol plant for Asian and Mexican markets

Pacifico Mexinol, a subsidiary of Dutch companies Mexinol Holdings B.V. and Mexinol Operating Company B.V., will invest \$9.331 billion pesos in the construction of a plant in Topolobampo, which will produce 5,000 metric tonnes per day of methanol for export to Southeast Asia and for sale in Mexico. The methanol plant is located in the municipality of Ahome in Sinaloa, a strategic location for the supply of natural gas from Waha, in southeast Texas, through the US-Mexico pipeline network. According to the Mexinol Holdings B.V. subsidiary and Mexinol Operating Company B.V., global demand for methanol is growing steadily and market volume and production capacity are expected to increase by about 4.3% annually over the next 10 years, primarily for markets located in Southeast Asia. The growth and creation of alternative companies in the Mexican market is also considered. The design of the methanol plant facilities considers the loading of ships with a frequency of 3 to 4 ships per month and each operation is estimated to take around 30 hours, taking into account the docking and mooring manoeuvres of the ships, adds Pacifico Mexinol.

Copa Airlines announces new route from Panama to AIFA

Panama's Copa Airlines announced that from 26 September it will serve Felipe Angeles International Airport (AIFA), in the Mexico City Metropolitan Area, initially with three weekly frequencies: Monday, Thursday and Saturday. Copa will expand its offer to and from Mexico City, becoming the first airline to serve this new airport from the international hub "Hub of the Americas", located at Panama's Tocumen

International Airport.

AMLO met with Sungan Choi, President of Samsung

President Andrés Manuel López Obrador (AMLO) stressed that Samsung has contracts with the Dos Bocas refinery in Paraíso, Tabasco, and has complied with their agreements. He met with Sungan Choi, President and CEO of Samsung at the National Palace, which lasted about two hours. López Obrador highlighted the likelihood that his government and Samsung will continue to work together, following the fulfilment of the contracts. Samsung Engineering's company won bidding package number two which includes the Diesel Hydrodesulphurisation Unit (DHDT), the Gasoil Hydrodesulphurisation Unit (HDS), the Naphtha Hydrotreating Unit (NHT) and the Naphtha Reformer. It also won the tender for package three A, in conjunction with DBNR Construction Associates, which includes the Fluid Catalytic Cracking Unit. The total contract amount for Phase II, which started in November 2020, was \$3.6 billion US dollars.

AGRICULTURE

Economic activity in the primary sector grows 5.3% in April

The Global Indicator of Economic Activity (IGAE) corresponding to primary activities grew by 5.3% in real annual terms in April, informed the Ministry of Agriculture and Rural Development. According to figures from the National Institute of Statistics and Geography (INEGI), in the fourth month of the year, the IGAE of secondary activities increased by 2.9% and that of tertiary activities by 1.1%. The federal agency highlighted that in 2021, Mexico's primary sector recorded positive growth, with an annual increase of 2.6%. In May, the value of agricultural and fisheries

exports totalled two thousand million US dollars. In that month, the most important increases were recorded in foreign sales of raw coffee beans (103.8%), citrus fruits (32.2%), avocado (27.9%), tomato (17.9%) and fresh vegetables (13.1%). According to timely information on Mexico's Merchandise Trade Balance from INEGI, in the first five months of the year, agricultural and fisheries exports totalled nine thousand 968.1 million US dollars, an increase of 9.0 % compared to the same period in 2021.

Mexico promotes agricultural projects in the Isthmus of Tehuantepec and the southeast of the country

Government of Mexico, through the Ministry of Agriculture and Rural Development (Sader), the General Coordination of Presidential Projects and the Inter-Oceanic Corridor of the Isthmus of Tehuantepec, will be promoting projects that contribute to productive, economic and social development in the livestock and agricultural sectors in the states of Oaxaca and Veracruz, where the Isthmus of Tehuantepec is located, as well as Chiapas and Tabasco. The heads of the Ministry of Agriculture, Víctor Villalobos Arámbula; of the Inter-Oceanic Corridor of the Isthmus of Tehuantepec, Rafael Marín Mollinedo, and of the General Coordination of Presidential Projects, Sergio Samaniego Huerta, evaluated mechanisms to consolidate agricultural production and strengthen production chains in the Isthmus of Tehuantepec and the southeast of the country. The officials assured that these actions will contribute to generating conditions for the territorial development and well-being of the rural populations and native peoples in the area. For the livestock subsector, Minister Villalobos agreed to carry out a feasibility study for the development of livestock infrastructure to strengthen production chains and animal health work and improve traceability and food safety, with the application of best production practices and thus ensure that the Isthmus region becomes

a global benchmark with a focus on production and welfare. In agricultural matters, the production of basic grains such as maize, forage grains (sorghum) and oilseeds will be boosted, with schemes to strengthen seed lots, crop rotation and sustainable practices, which will have an impact on increasing the production and availability of food for the population and industry.

Reduction in the price of fertiliser will save commercial agriculture one billion pesos

Ministry of Agriculture and Rural Development explained that 80,000 tonnes of ammonium sulphate are in the country and it is expected to close June with 250,000 tonnes of the imported product, to the benefit of Mexican farmers. In communiqué B278/2022, the Ministry of Agriculture and Rural Development reported that the implementation of the Plan against inflation and high food prices, which includes the elimination of the compensatory tax on ammonium sulphate imports, has already reduced the final price of fertiliser for Mexican producers by 30%, with the arrival of the input imported from the United States and China. The Ministry of Agriculture and Rural Development stressed that this measure implies savings of four thousand pesos per tonne, which will be reflected in better conditions for crops in the spring-summer and autumn-winter cycles.

Taiwan agrees to buy Mexican beef; now looking for pork, mango, lime and avocado

The quality and taste of the food from Mexico has attracted Taiwan, which now has a plan to buy beef and pork, grapes, Persian mango, lemon and avocado produced in different regions of Mexico. Mexican meat exports will increase every year to Taiwan. The first exports will be Mexican beef, but there are negotiations to bring grapes produced in Sonora and other priorities are pork, Persian

mango, lemon and avocado. In terms of trade, in 2021, trade between Mexico and Taiwan reached 12.36 billion dollars, representing an annual growth of 33.63%.

Beers, tequila and mezcal lead Mexico's agricultural exports

Agri-food exports picked up pace during the first four months of 2022, registering a value above that of imports. Mexican liquors, avocados, red fruits and tomatoes are the driving forces behind Mexico's exports abroad. According to information from INEGI and the Bank of Mexico, beer exports alone amounted to \$1,902 million US dollars, which implied a year-on-year growth of 9.8%.

Brazil increases soybean exports to Mexico

Brazil recorded soybean exports to Mexico with a customs value of \$298 million from January to May 2022, a year-on-year increase of 4.6%. With that, soybean exports in that direction registered a record for a similar period, according to data from Brazil's Ministry of Industry, Foreign Trade and Services.

THE ENERGY SECTOR

Chihuahua creates agency to promote energy projects

Governor Maru Campos announced the creation of the Chihuahua State Energy Development Agency, which was approved by the State Congress. It will operate as a non-bureaucratic public body, with permanent social and environmental responsibility that will use innovative financial and management models. The initiative establishes a governance model for Sustainable Energy Development based on coordination mechanisms with the federal, state and municipal governments, and links with the

public, social and private sectors, with its integration into the Sustainable Energy Development Council of Chihuahua.

High fuel prices may benefit Olmeca refinery project

The high prices of oil and its derivatives, caused by Russia's invasion of Ukraine, make importing fuels very expensive, so investing in the Olmeca refinery could be a good idea as long as the cost does not go down, according to experts. The president of the Mexican Association of Service Station Suppliers (Ampes), Andrés Gutiérrez, commented that the crisis in Europe is making imported petrol more expensive.

Pemex will invest \$2 billion US dollars to reduce emissions by 98%

Petróleos Mexicanos (Pemex) will invest \$2 billion US dollars to reduce its polluting methane gas emissions from hydrocarbon extraction by up to 98%, announced Mexican President Andrés Manuel López Obrador. He stated that the investment will be made with its own resources, as well as with credits. The president made this announcement after a meeting on 3 June with the US special envoy for climate change, John Kerry, in which he announced that he would unveil a "surprising" plan to show the world that Mexico "is one of the countries that produces the cleanest energy". He also mentioned that he had guaranteed investment by US companies to install 1,854 megawatts (MW) through solar and wind plants, which mitigate the impact on the environment because they are renewable sources. The installation of solar parks on Mexico's northern border with the United States will be explored, as well as the construction of energy transmission networks that would allow Mexico to export electricity to states in the neighbouring country, such as California.

Dos Bocas refinery will run until 2026

President Andrés Manuel López Obrador will inaugurate the Dos Bocas "Olmeca" refinery in Tabasco, but has acknowledged that it will process the promised 340,000 barrels per day of crude oil for fuel production 6 months after this; however, the Ministry of Energy (Sener) projected that this will be achieved in 2026. According to the cost-benefit analysis for the "Construction of the Roberto Ayala-Dos Bocas Station Railway Branch in the state of Tabasco", the Sener, headed by Rocio Nahle, estimates that in 2023 the refinery will receive 240,000 barrels of crude oil per day for its production and will reach 267,000 barrels in 2025. And by 2026, it will reach 340,000 barrels per day, which would imply an 80 per cent utilisation of the work, the document states. President López Obrador mentioned that next year they will stop buying gasoline abroad, but the same Sener estimates suggest that there will be a gap between supply and local demand that will continue to widen until at least 2026.

Brazilian petrochemical company Braskem Idesa announces construction of plant in Veracruz

Braskem Idesa announced the signing of an agreement with Advorio to build and operate an ethane import terminal in Veracruz. The companies signed a 50% partnership for the Terminal Química Puerto México (TQPM), in the municipality of Coatzacoalcos, with an estimated investment of \$400 million US dollars. Construction of the project, which will be located north of the 10-hectare Pajaritos lagoon, will begin in July and is expected to be completed by the end of 2024. In addition to the plant, the companies will build a new dock in the Pajaritos lagoon with a dedicated area for cryogenic ethane operations. With these works, the companies expect to generate two thousand jobs during construction and, upon completion, to obtain a greater availability of ethane to support other

production chains of the national petrochemical industry.

THE AUTOMOTIVE SECTOR

Chinese automaker Chirey makes its debut in Mexico

With the aim of selling 7,000 units in the first year of operations, the Chinese brand Chirey announced its official entry into the Mexican market. During its launch in Mexico, José Ángel Sánchez Muñoz, vice-president of Chirey Mexico, commented that they will start with the commercialisation of two SUVs, the Tiggo 7 Pro and the Tiggo 8 Promax. The company will import all vehicles from China and assured that it has sufficient agreements with suppliers and transporters to have product available in the agencies, despite the delays in the ports with goods from Asia. Chirey expects to open 40 dealerships in its first year of operations in the territory, which will give it a coverage of 62.5%. In addition, it expects to have 40 vehicles available per shop. Eight agencies will be opened in Mexico City, and the rest of the dealerships will be in Guadalajara, Monterrey, Tijuana, Merida and other cities.

Mexican automotive association sees slow recovery of chip supply

The Mexican Automotive Industry Association (AMIA) said it expects a slow recovery in the supply of semiconductor chips to the country, an essential component for vehicle production. The country's automotive manufacturing and exports increased in May compared to the same month last year, data from the National Statistics Institute, INEGI, showed. Mexico's auto production jumped 15.22% in the fifth month of the year to 275,436 vehicles and exports rose 1.08% to 244,643 units, according to INEGI.

Electric motorbike

Citio, is a new 100% Mexican electric motorbike company and part of the Salinas Group. The company offers the user the purchase of a state-of-the-art electric motorbike model (Voltium Gravity) at an exclusive price. So far there are 35 charging stations throughout Mexico City, where the user can exchange his discharged battery for a new one in less than two minutes and can park his motorbike while doing so. Each recharged battery gives the user 40 kilometres of travel. A little more than a year after starting activities, the proposal enjoys a 400% growth in installed capacity, with a view to doubling its service stations in the following months. They have more than 50 stations, 35 in Mexico City, and adding Guadalajara and Tulum, with a view to expanding to Monterrey and new urban spaces in the country. This reach also takes advantage of the nascent use of electric motorbikes in Mexico, which is barely 1% of the total.

Auto assembly and exports post positive results in May

After some months with a slowdown in the recovery process, the automotive industry in Mexico recorded positive results during May 2022. Both car assembly and domestic and foreign sales grew during this period. In this fifth month of the year, a total of 275,436 light vehicles were assembled in Mexico, representing a year-on-year increase of 15.2%, according to figures reported by the AMIA (Mexican Automotive Industry Association) and published by INEGI. Exports amounted to 244,643 units, a growth of 1.8% year-on-year. Auto sales in the domestic market amounted to 91,215 cars, 5.2% higher than in May last year. Some of the carmakers that recorded negative numbers were Mazda, Nissan, Honda and BMW Group. During May 2022, the car production of these companies was significantly reduced, leading to significant drops in their domestic sales and overseas shipments.

Honda recorded a drop of 69%; BMW 47.5%; Mazda 31%; and Nissan with 13%; in contrast, Ford accelerated its production by 74%; Toyota 45% and Volkswagen 41%, as well as General Motors by 28%. Other Asian firms have especially gained ground in sales in the Mexican market: Japan's Isuzu and Chinese-owned MG Motor recorded triple-digit growth in their car sales levels in Mexico. The automotive industry has been one of the industries that has faced the most obstacles in its recovery process. Shortages of raw materials and irregularities in global supply chains have led to a loss of dynamism in the sector.

BILATERAL NEWS AND EVENTS- MEXICO AND OTHER COUNTRIES

INDIA

Partners from Mzt Aerospace Park met Ambassador

Ambassador Pankaj Sharma and Second Secretary Ms. Vallari Gaikwad held a meeting with Mzt Aerospace Park's (Mazatlan), Partners Mr. Lino Guzmán & Mr. Victor Garcia. They discussed the possibility of initiating business opportunities in aerospace industry & of inviting Indian companies to set up facilities at the industrial park.

Ambassador met with Mayors of Tequila and Tala in Jalisco

Ambassador Pankaj Sharma met with the Mayors of Tequila H.E. Mr. Alfonso Rubio & of Tala H.E. Mr. Antonio Casillas Jalisco. He was joined by Deputies H.E. Mr. Salvador Cabrera & H.E. Mr. Gustavo Macías. They enjoyed the tour of Tequila town & its rich history & culture.

Vice President of the Hoskinson Group LLC met Ambassador

Ambassador Pankaj Sharma and Second Secretary Ms. Vallari Gaikwad held a meeting with the Vice President of the Hoskinson Group LLC, Mr. Gustavo Solórzano, & discussed their possible investments & technology transfer to NCT, Delhi, for producing clean energy from urban solid waste.

Ambassador Pankaj Sharma called on the Hon'ble Foreign Minister of Mexico H.E. Mr. Marcelo Ebrard.

Ambassador Pankaj Sharma called on the Hon'ble Foreign Minister of Mexico H.E. Mr. Marcelo Ebrard. Discussions focussed upon continuing the high-level engagements & follow ups on strengthening bilateral relations between India and Mexico. As trusted partners, they will both keep working to advance our Privileged Partnership.

Ambassador Pankaj Sharma and other Embassy officers called on the Hon'ble Minister of Tourism of México, H.E. Mr. Miguel Torruco Marqués

Ambassador Pankaj Sharma and other Embassy officers called on the Hon'ble Minister of Tourism of México, H.E. Mr. Miguel Torruco Marqués and his team. Discussion focused upon the great potential in tourism & culture including establishment of direct air connectivity between India and Mexico.

Ambassador and Second Secretary Ms. Vallari Gaikwad held a meeting with the India-Mexico Business Chamber

Productive meeting with the India-Mexico Business Chamber at the Chancery premises. Embassy and the IMBC members exchanged ideas to further enhance trade and business opportunities between India and México.

Ambassador Pankaj Sharma met Vice Chairman & MD of JK Paper Ltd.

Ambassador Pankaj Sharma & Vice Chairman & MD of JK Paper Ltd., Mr. Harsh Pati Singhania held an engaging conversation on various business opportunities between India & México & discussed extending this collaboration to newer areas.

6th India-Mexico Foreign Office Consultations

The 6th India-Mexico Foreign Office Consultations was led by Hon'ble Secretary (East) Ambassador Saurabh Kumar & Vice Minister H.E. Ms. Carmen Moreno Toscano in Mexico, in line with the high level exchanges. The agenda covered entire range of bilateral, regional & multilateral issues.

Hon'ble Secretary (East) Ambassador Saurabh Kumar and Director General of Mexican Space Agency AEM Dr. Salvador Landeros signed the Specific Cooperation Agreement

Hon'ble Secretary (East) Ambassador Saurabh Kumar (on behalf of Indian Space Research Organisation ISRO) & Director General of Mexican Space Agency AEM Dr. Salvador Landeros signed the Specific Cooperation Agreement on Crop Monitoring, Drought Assessment & Capacity Building, which will further strengthen space cooperation.

Ambassador Saurabh Kumar, Secretary (East) visited the Chancery's auditorium

Embassy of India in Mexico had the pleasure of hosting Hon'ble Secretary (East) Ambassador Saurabh Kumar at the Chancery's auditorium. While sharing his experiences, Ambassador Kumar interacted with the officials & staff members & outlined India's foreign policy priorities for strengthening bilateral relations between India and Mexico.

UNITED STATES

U.S. and Mexico seek to resolve \$30 billion US dollars in investment disputes

United States is working with the Mexican government to resolve disputes with energy companies involving more than \$30 billion US dollars in U.S. investments, Ambassador Ken Salazar said. He explained that his government was making progress in resolving issues involving US companies in Mexico, ranging from fuel terminal operators to renewable energy generators. Mexican President AMLO has moved aggressively to reshape the energy sector's rules to benefit the sector's state-owned companies, oil company Pemex and generator Federal Electricity Commission (CFE), arguing that previous governments skewed the market in favour of private capital. This energy policy has brought Mexico into conflict with the US and other major trading partners and caused friction with a number of large companies investing in the country.

Deteriorating Economic and Security Conditions Contributing to Rising Rates of Migration from Mexico to US

According to US Customs and Border Protection (CBP) data, the detention of Mexican migrants surpassed that of individuals from the Northern Triangle region of Central America (Honduras, El Salvador and Guatemala). So far this year, 307,206 of those detained were Mexican citizens, followed by Guatemala at 94,706. Prior Covid-19 pandemic, there were approximately 20,000 Mexican migrants detained each month. Now, the number hovers around 80,000. The economic crisis brought about by the Covid-19 pandemic and rising insecurity are key factors behind the growing rates of migration. The deteriorating security situation in the country has also created a crisis of forced displacement, which has certainly contributed to northbound migration. President Lopez Obrador has yet to address the

rise in migration to the US from Mexico, instead choosing to focus his rhetoric on migration from Central America. This trend is likely to elicit future pressure on Mexico to address the worsening security in the country, particularly leading to the US 2022 midterm elections.

PAKISTAN

Mexico and Pakistan hold the Fifth Meeting of the Consultative Mechanism on Matters of Common Interest

On 16 June, the Fifth Meeting of the Mechanism for Consultations on Matters of Common Interest between Mexico and Pakistan took place via videoconference, which was co-chaired by the Director General for Africa, Central Asia and the Middle East of the Ministry of Foreign Affairs, Amparo Eréndira Anguiano Rodríguez, and the Assistant Secretary for the Americas of the Ministry of Foreign Affairs of the Islamic Republic of Pakistan, Faisal Niaz Tirmizi. During the virtual meeting, the two sides reviewed the state of the bilateral relationship and identified actions to intensify high-level political dialogue, as well as to increase economic ties between the two countries. It was recognised that the level of economic and trade exchanges is below its potential, so it is important to work hand in hand with the chambers of commerce and to promote direct contacts between the business sectors of both countries. They also discussed opportunities to develop technical and scientific cooperation, especially in agriculture, as well as educational and cultural cooperation, resulting in more frequent and fluid contacts between the two societies. Both sides agreed on the importance of making progress in the negotiation of various legal instruments, with a view to their signature, which will allow for the modernisation of the bilateral legal framework, particularly in economic matters.

RUSSIA

Mexico increased its imports from Russia by 33.6% in January-April 2022

Mexico increased its imports of goods from Russia by 33.6% year-on-year from January to April 2022, to \$733.5 million US dollars, according to data from the Bank of Mexico. In contrast, its exports to the Russian economy fell 37.4% to \$103.1 million US dollars. Imports to Mexico from Russia of unwrought aluminium (\$297 million US dollars), mineral or chemical fertilisers containing two or three of the fertiliser elements nitrogen, phosphorus and potassium (\$245 million US dollars), mineral or chemical nitrogen fertilisers (\$244 million US dollars) and synthetic rubber (\$53 million US dollars).

EGYPT

Working visit to Egypt by the Deputy Minister of Foreign Affairs

The Deputy Minister of Foreign Affairs, Carmen Moreno Toscano, paid a working visit to Cairo on 20 and 21 June, in order to hold meetings with officials of the Government of the Arab Republic of Egypt and the League of Arab States (LAS). As part of the political dialogue, the 10th Meeting of the Mexico-Egypt Political Consultations Mechanism, co-chaired by Deputy Minister Moreno Toscano and Assistant Minister for the Americas Mahy Abdellatif, was held on 21 June. Both delegations reviewed the priority issues on the bilateral agenda with a fruitful dialogue on regional and global issues, in the framework of which, shared priorities in multilateral spaces were identified and it was highlighted that, for the first time, there are Mexican and Egyptian companies with a presence in both countries. The officials signed an MoU between the Matias Romero Institute and the Egyptian Diplomatic

Academy, with the aim of promoting bilateral cooperation in research and diplomatic training. On 20 June, Moreno Toscano also visited the League of Arab States and, in the framework of regular high-level consultations with this regional body, met with Khalil Al Thawadi, Deputy Secretary-General for Arab Affairs and National Security and in charge of International Political Affairs. The two officials agreed on a cooperation project that will lead to the elaboration of a public policy study aimed at identifying opportunities for collaboration and improving relations between Mexico and the countries of the Arab world.

KOREA

Mexico's in FTA with Korea

The conclusion of a free trade agreement between Mexico and Korea will strongly increase imports of products from the Asian country, which is why specialists believe that any agreement should be complemented by an industrial policy. During the forum "Advantages and disadvantages of signing the Free Trade Agreement between Mexico and South Korea", organised by the Centro de Investigación y Docencia Económicas (CIDE), experts agreed that Korea has developed a strong technological industry that cannot be confronted by Mexican manufacturing, especially in the absence of an industrial policy. Ambassador of the Republic of South Korea in Mexico, Suh Jeong-In, said that there is a lot of interest in a trade agreement, but acknowledged that "it is possible that in some sectors there will be benefits, and in others there will be challenges". He said they have high tariffs on agricultural products such as tequila, which would be eliminated if there is an agreement.

CHINA

Ministry of Foreign Affairs of Mexico commemorates 50th anniversary of the start of diplomatic relations between Mexico and the People's Republic of China

Ministry of Foreign Affairs, through the Matias Romero Institute, and the Chinese Embassy in Mexico organised the "Dialogue in the framework of the 50th anniversary of the establishment of diplomatic relations between Mexico and the People's Republic of China". The panel consisted of a historical, social and diplomatic foresight exercise on the opportunities and potential coincidences between the two countries. Experts on the bilateral relationship discussed issues in diverse areas such as trade, education, culture, technological innovation, cooperation, development for peace, as well as major global challenges and support for a rules-based international system. Mexico's Ambassador to China, Jesús Seade Kuri, participated virtually, emphasising the multiple complementarities between the economies of the two nations, as well as the strategic importance of opening markets in China for Mexican products and encouraging greater Chinese investment in Mexico.

MULTILATERAL EVENTS AND NEWS **INVOLVING MEXICO**

Mexico, United States and Canada make progress in consolidating regional commitments

On 24 June, the sherpas, technical coordinators and pillar heads of Mexico, the United States and Canada met to discuss issues relevant to the region and review the agreements reached at the 9th North American Leaders' Summit in Washington D. C. This meeting was a follow-up to the meeting of North American foreign ministers held in the framework of the Summit of the

Americas on 10 June in Los Angeles, California, with the participation of Foreign Minister Marcelo Ebrard, Minister Mélanie Joly of Canada and Secretary Antony Blinken of the United States. During the meeting, the heads of each pillar provided an overview of the core issues for the region, including COVID-19 and health security; supply chains, SMEs and innovation; environment and climate change; racial justice, diversity and inclusion; orderly, safe and regular migration; and security. A trilateral analysis was also conducted on possible areas of opportunity and better ways of collaboration to finalise the agreements. The three nations reiterated the great coincidences that exist in the region and the importance of the Summit to continue moving forward together and face the great current hemispheric and global challenges.

Joint Statement on Canada-Mexico-United States Cooperation

Canada, Mexico, and the United States share a close relationship based on shared values and priorities. They affirmed their strong commitment to democratic principles and intend to cooperate closely to stand up for multilateralism and the rules-based international order, support the rule of law, promote inclusive growth, invest in the development of communities, protect and promote human rights, advance gender equality, and reinforce democracy at home and inspire democratic development around the world. On the occasion of the North American Foreign Ministers' Meeting in Los Angeles, the three countries committed to further enhance their deep partnership and to continue working together in support of peace and prosperity around the globe.

Fifth labour complaint filed against Mexico on USMCA

The Mexico-US-Canada Agreement (USMCA) has focused its disputes on the automotive sector, both on rules of origin and labour. Workers at the manufacturing auto parts plant in Piedras Negras, Coahuila, filed a labour complaint under the Mexico-United States-Canada Agreement (USMCA). This is the fifth labour complaint against a company based in Mexico since the USMCA entered into force on 1 July 2022, all in the automotive industry (General Motors, Tridonex, Panasonic, Teksid and Vu). Workers accuse management of inviting the CTM to sign a protection contract and of retaliating against opposing workers. Mexico and Canada requested a dispute settlement panel against the United States in the Tripartite Free Trade Agreement (USMCA) over differences in the application of rules of origin within the automotive industry.

Nordic countries and Mexico share innovative solutions and learnings for transformation

The event "Sustainable Solutions: Nordic Day 2022" was held as a result of the collaboration between the Ministry of Economy and the embassies in Mexico of Denmark, Finland, Norway and Sweden, in which lessons were shared on issues such as circular economy, green hydrogen and smart mobility. With this joint effort, Mexico and the Nordic countries: Denmark, Finland, Norway and Sweden consolidate an axis of international cooperation to achieve the construction of cities with a better quality of life, efficient and sustainable transport and the generation of clean energy to contribute to the development of a sustainable future.

Mexico joins the Alliance of the Americas for Economic Prosperity to promote inclusive growth in the region

During the 9th Summit of the Americas, taking place in Los Angeles, California, President Joseph Biden announced the creation of the Alliance of

the Americas for Economic Prosperity, focused on fostering the growth of the region's economies and prioritising approaches that reduce inequality among societies, protect the most vulnerable, and promote the creation of well-paying jobs. This initiative seeks to boost innovation in the public and private sectors, as well as to address climate change by investing in strategies focused on resilience and sustainability. Government of Mexico recognises this proposal and will join the signatory countries. Faced with the new geopolitical and economic realities, Mexico reiterates the need to seek new mechanisms that allow to promote economic growth for all and contribute to a better distribution of wealth.

COMMERCIAL NEWS FROM BELIZE

Belize Participates in 12th Ministerial Conference of the World Trade Organization

Hon. Ramon Cervantes, Minister of State for Foreign Affairs, Foreign Trade, and Immigration, is leading Belize's delegation to the 12th Ministerial Conference of the World Trade Organization (WTO) in Geneva, Switzerland. The conference comes at a critical juncture for international trade which continues to face global challenges that ultimately affect the cost of living for Belizeans. In his statement to the conference, Minister Cervantes stressed the importance of a smooth functioning multilateral trading system which serves the economic development of small states like Belize. Minister Cervantes expressed Belize's strong support for a decision on a waiver of the Trade Related Aspects of Intellectual Property Agreement (TRIPS) to improve COVID-19 vaccine access and affordability. He emphasized the need to address the looming food security crisis and supported the proposal to exempt the UN World

Food Program (WFP) purchases from export restrictions.

Agri-Business Grant Agreements Signed

Ministry of Agriculture, Food Security and Enterprise in collaboration with the Food and Agriculture Organization (FAO) signed agreements with beneficiaries of the Agri-Business Technical Incubator Grant Program. The total investment awarded was determined by the evaluation committee based on the proposed strategy to address key weaknesses. Investments between BZ\$5,000 and BZ\$15,000 were considered for the award. Eight enterprises were supported with funding from a total budget of BZ\$59,859.83. The incubator provides new, micro and small agriculture-based enterprises with qualification, training, advisory and consulting services to enable them to formalize and accelerate their business development process. Capacity building activities have been taking place through a virtual mechanism to deliver technical content in five key areas of enterprise development. The program provides investments in the form of assets to enable the enterprises to scale up and enhance their business operations. This phase involves financing proposed investments of enterprises that are undergoing the incubation process.

Secretary General of the Ministry of Foreign Affairs of the State of Qatar Visits Belize

Hon. Ramon Cervantes, Minister of State of Foreign Affairs, Foreign Trade and Immigration, welcomed H.E. Dr. Ahmad Hassen Al-Hammadi, Secretary General of the Ministry of Foreign Affairs of the State of Qatar, on an official visit to Belize as part of a regional tour. The visit saw the signing of a Memorandum of Understanding for the Establishment of Political Consultations, which enabled the convening of the first political consultation meeting. Discussions focused on strengthening bilateral relations between both countries, economic and commercial affairs including investment and post-COVID economic

recovery, regional and multilateral issues, and cooperation in areas of energy, education, and infrastructure. The status of several other cooperation agreements was reviewed and both sides recommitted to the completion and signing of those agreements, covering visa waiver exchange and cooperation in education and culture.

Ministry of Agriculture hosted five-day beekeeping training in Orange Walk through the Bilateral Cooperation Project with Mexico

Ministry of Agriculture, Food Security, and Enterprise hosted a five-day training session in apiculture at the Yo Creek Agriculture Station in Orange Walk District. The training seminar, was conducted under the Mexico-Belize Bilateral Cooperation Project. In collaboration with the Mexican International Agency for Cooperation and Development (Amexcid) and Mexico's National Research Institute of Forestry, Agriculture and Livestock (INIFAP). The beekeeping training happened parallel to a five-day coconut agro-processing training seminar in Central Farm, also conducted under the Mexico-Belize Bilateral Cooperation Project.

APPENDIX- STATISTICS

INDIA – MEXICO

I. Bilateral Trade Mexico-India in January 2022 (thousands of USD)

	<i>Export</i>	<i>Import</i>	<i>Total</i>
<i>Mexico's trade with India</i>	63774	492764	556538
<i>Mexico's total global trade</i>	33899110	40185365	74084475

Source: INEGI

MEXICO PURCHASES FROM INDIA BY COMMODITY (January 2022)

No.	HS Code	Description	Value USD
1	7601	Unwrought aluminium	28,863,974
2	8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles of heading 8701 to 8705, n.e.s.	25,954,770
3	8703	Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars (excluding motor vehicles of heading 8702)	24,412,872
4	3004	Medicament consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses ""incl. those in the form of transdermal administration"" or in	13,241,118

		forms or packings for retail sale (excluding goods of heading 3002, 3005 or 3006)	
5	6908	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, whether or not on a backing (excluding of siliceous fossil meals or similar siliceous earths, refractory ceramic goods, tiles specially adapted as table mats, ornamental articles and tiles specifically manufactured for stoves)	10,915,197
6	7210	Flat-rolled products of iron or non-alloy steel, of a width \geq 600 mm, hot-rolled or cold-rolled "cold-reduced", clad, plated or coated	9,664,967
7	8711	Motorcycles, incl. mopeds, and cycles fitted with an auxiliary motor, with or without side-cars; side-cars	8,468,966
8	8483	Transmission shafts, incl. camshafts and crankshafts, and cranks; bearing housings and plain shaft bearings for machines; gears and gearing; ball or roller screws, gear boxes and other speed changers, incl. torque converters; flywheels and pulleys, incl. pulley blocks, clutches and shaft couplings, incl. universal joints; parts thereof	6,685,007
9	8504	Electrical transformers, static converters, e.g. rectifiers, and inductors; parts thereof	6,265,821
10	2933	Heterocyclic compounds with nitrogen hetero-atom[s] only	6,032,715

Source: Data Mexico, Ministry of Economy of Mexico

MEXICAN SALES TO INDIA BY COMMODITY (January 2022)

No.	HS Code	Description	Value USD
1	8471	Automatic data-processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, n.e.s.	11,137,324

2	8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, incl. apparatus for communication in a wired or wireless network [such as a local or wide area network]; parts thereof (excluding than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528)	7,968,344
3	7108	Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured or in powder form	7,645,404
4	3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	6,400,260
5	7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel (excluding slag, scale and other waste from the production of iron or steel; radioactive waste and scrap; fragments of pigs, blocks or other primary forms of pig iron or spiegeleisen)	2,320,924
6	3206	Inorganic or mineral colouring matter, n.e.s.; preparations based on inorganic or mineral colouring matter of a kind used for colouring any material or produce colorant preparations (excluding preparations of heading 3207, 3208, 3209, 3210, 3213 and 3215); inorganic products of a kind used as luminophores, whether or not chemically defined	2,251,200
7	8409	Parts suitable for use solely or principally with internal combustion piston engine of heading 8407 or 8408	1,675,138
8	8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles of heading 8701 to 8705, n.e.s.	1,619,702
9	2933	Heterocyclic compounds with nitrogen hetero-atom[s] only	1,318,334
10	2934	Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excluding with oxygen only or with nitrogen hetero-atom[s] only)	849,095

Source: Data Mexico, Ministry of Economy of Mexico

**MEXICAN EXPORTS OF CRUDE OIL
PRODUCTS TO INDIA (Jan. 2022,
thousands USD)**

6597

Source: INEGI

APPENDIX- STATISTICS

INDIA - BELIZE

I. Bilateral Trade (Belize-India) in January 2022 (Figures in Thousand USD)

TRADE BALANCE BELIZE – INDIA (January 2022) thousands of USD		
Exports	Imports	Total trade
0	664	664

TRADE BALANCE BELIZE – WORLD (January 2022) thousands of USD		
Exports	Imports	Total trade
12596	95256	107852

BELIZE IMPORTS FROM INDIA BY COMMODITY (January 2022)

No.	HS Code	Description	Value (thousands USD)
1	30	Pharmaceutical products	217
2	87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	134
3	63	Textiles, made up articles; sets; worn clothing and worn textile articles; rags	95
4	24	Tobacco and manufactured tobacco substitutes	91

5	31	Fertilisers	39
6	29	Organic chemicals	34
7	84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	284
8	48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	13
9	73	Articles of iron or steel	12
10	99	Commodities not elsewhere specified	10