



सत्यमेव जयते
Embassy of India
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Commercial Report



A report on the various commercial events that have taken place in the month of May 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

Mexico seventh largest recipient of foreign exchange from tourism

Mexico will be announced as the seventh country to receive the most foreign currency in 2021 from tourism, a fact that demonstrates the nation's international potential, said Miguel Torruco Marqués, head of the Ministry of Tourism (SECTUR). Participating in the first day of the Tianguis Turístico, which is being held in Acapulco, Guerrero, the head of the agency said that this has given the country the opportunity to receive new niche markets of tourists with high purchasing power, and this will fulfil the proposal to make tourism "a tool for social reconciliation". The secretary pointed out that the country is adapting to new times and new promotional tools, and this will meet the challenge of repositioning Mexico as a power in the industry.

Inflation slows to 7.58% in the first half of May

The National Consumer Price Index (NCPI) decelerated and registered an annual change of 7.58% in the first fortnight of May, its lowest level in four fortnights and practically in line with consensus expectations. According to the National Institute of Statistics and Geography (INEGI), the NCPI registered its lowest level since the first fortnight of March, when it stood at 7.29%. The figure comes after it stood at 7.65% in the second fortnight of April. Inflation has been above the target range set by the Bank of Mexico

(3 per cent, +/- one percentage point) for 29 consecutive fortnights.

FDI grew 5.8% in first quarter of 2022

Foreign direct investment (FDI) increased by 5.8% during the first quarter of 2022, according to preliminary figures released by the Ministry of Economy in a statement. According to the document, the figure reached a total of 19.4 billion dollars between January and March this year. He added that extraordinary investment movements took place in the period, related to the merger of Televisa with Univisión and the restructuring of Aeroméxico, which together represent \$6.875 billion US dollars. The Ministry of Economy highlighted that when considering the merger and the restructuring, the preliminary investment captured in January-March 2022 increased 63.7% compared to preliminary figures for the same period in 2021.

Mexico's imports grow 25.7% in April

Mexico's imports amounted to \$49.364 billion US dollars in April, which implied an annual increase of 25.7%, informed INEGI. This indicator has presented ups and downs in its growth: in January (18.5%), February (24.2%) and March (12.7%). After falling 2.7% in January 2022 with seasonally adjusted figures, Mexico's imports increased in the following three months: 9.2% in February, 1.7% in March and 5.2% in April. Total imports in April of this year originated from growth of 21.2% in non-oil imports and 71.1% in oil imports. When

considering imports by type of good, annual increases of 40.6% were observed in imports of consumer goods, 23.9% in those of intermediate use goods and 22.5% in those of capital goods.

Mexican exports grow 16% in April driven by the oil sector

Mexico exported products for a value of \$47,479.5 million US dollars in April, which represented a 16% year-on-year growth, mainly driven by the oil sector, informed INEGI. Considering its two main divisions, Mexican non-oil foreign sales rose 12.4%, to \$43,654.8 million US dollars; while oil exports climbed 81.3%, to \$3,824.7 million US dollars. The increase in oil exports is mainly linked to oil prices. According to the Ministry of Finance, the geopolitical conflict between Russia and Ukraine has exacerbated upward pressures on food and raw material prices, and could generate shortages of key industrial inputs for the manufacturing industry, particularly global automotive production. Of total Mexican manufacturing exports in April, automotive exports grew only 5.2%, to \$13,255.2 million US dollars, while non-automotive exports increased 16%, totaling \$27,596.1 million US dollars. In April 2022 and with seasonally adjusted figures, total merchandise exports reported a monthly increase of 0.86%, as a result of increases of 0.16% in non-oil exports and 9.46% in oil exports.

Eggs, milk, chicken, tortillas rise more than inflation

The price of eggs, milk, chicken and tortillas (foods that are considered indispensable in the diet of Mexicans) showed increases above inflation so far this year, according to the latest data from the National Institute of Statistics and Geography (INEGI). Until the first half of May, INEGI reported that national inflation was 3.00%; however, some food products are far above this

figure, due to disruptions in global supply chains, as well as tensions in Eastern Europe. In the case of chicken, it was observed that this product has risen 13.22% so far this year. The price of eggs has risen 13.13%, corn tortillas 7.05% and pasteurised milk increased by 5.36%. Other food products that have far outpaced inflation, are avocado, whose price has increased by 78.73% so far this year; serrano chili, one of the indispensable ingredients when making sauces, increased by 13.13%; and beef price has risen by 3.90%, among others.

Tariffs on some products withdrawn, decree published in DOF

To counteract the inflationary trend in foodstuffs, the federal government issued a decree to temporarily exempt from import duties 21 products that form part of the basic food basket and five strategic inputs. As part of the measures of the Package against Inflation and Famine (Pacif), a decree was published in the Official Journal of the Federation (DOF) detailing that the 21 products are classified in 66 tariff fractions that are part of the basic food basket. Among the imported products exempt from tariffs are corn oil, rice, tuna, pork, chicken, beef, onions, jalapeño peppers, beans, corn flour, wheat flour, eggs, toilet soap, tomato, milk, lemon, white corn, apple, orange, box bread, potato, soup pasta, sardines, sorghum, wheat and carrots. Import duties are also temporarily exempted for products classified in six tariff items that are part of the consumption of Mexican families, which are live animals of bovine, porcine, ovine or caprine species, roosters and hens. The latest monitoring by the National Alliance of Small Traders (ANPEC) indicates that in the first two weeks of May 2022, tomatoes increased 13%, oranges 6.8%, eggs 6.8%, boxed bread 4.14%, and sardines 0.85%. The measure is not exempt from complying with quality and efficiency

characteristics, especially in the phytosanitary and zoosanitary field.

Unemployment in Mexico fell in April to 3%

In April 2022, the unemployed population was 1.8 million people and the unemployment rate was 3%, as a proportion of the economically active population (EAP); compared to the same month in 2021, the unemployed population fell by 872,000 people and the unemployment rate was 1.6% lower, reported the National Institute of Statistics and Geography (INEGI).

TRADE, INVESTMENT & INFRASTRUCTURE

Mexico, fertile ground to continue creating great companies

There is a before and after in the boom of the so-called unicorn companies in Mexico. After 2019, the growth and dynamism of this ecosystem was favoured by the increase in investments and the arrival of international funds willing to boost these projects. This is how Softbank has seen in Mexico an opportunity, or fertile ground as defined by Juan Franck, managing partner for Mexico and Latin America at Softbank, who affirms that our country, as well as the Latin American region, is experiencing an extraordinary moment for the creation of large companies. The fund that Juan Franck leads in the region, together with Alex Shapiro, has worked with and accompanied companies such as Kavak, Bitso, Clip, Konfío, Merama, among others, and has turned them into current benchmarks of successful companies. With this trend in the region, Franck assures that this is just beginning for our country, taking advantage of the increase in digital penetration metrics, e-commerce penetration and access to education through technology.

Hisense invests \$250 million US dollars in its second plant in Mexico

Mexico will be the second market for Hisense where it has two production plants, only after China. Its first plant is located in Rosarito, Baja California, and the second is being built in Nuevo Leon with an investment of \$250 million US dollars; it will have an area of 25 hectares and is planned to be ready for the second half of the year, said Antonio Hidalgo, general director of Hisense Mexico. With this latest plant in Nuevo León, the Chinese company seeks to export household appliances to the entire American continent where it has a presence, which will make Mexico one of Hisense's main subsidiaries in the world.

App aims to be the Rappi of auto parts delivery in Mexico

Model is to be the Rappi of auto parts delivery for mechanical workshops in Mexico. That is the bet of Jetz App, a Mexican startup that was born in March 2021 and in just over a year of operation already supplies more than 1,500 establishments in Mexico City and Guadalajara, but it is going for at least six more cities in the country and to set foot in Colombia.

Alibaba wants to bring Mexican SMEs to compete in the global marketplace

The Asian e-commerce giant Alibaba, known as the "Chinese Amazon", wants to empower micro, small and medium-sized enterprises (MSMEs) in Mexico so that, first, they can compete in the global market, taking advantage of the restructuring of supply chains caused by the Covid-19 pandemic, and then consolidate their position in the Chinese consumer market, "the largest, but also the most complex and competitive". At the Digital Inclusion 2022 forum, the Alibaba Group signed a memorandum of

understanding with the National Governors' Conference (Conago) to train MSMEs in digital skills, provide them with technology transfer (such as cloud computing, logistics systems, among others) and strengthen their business-to-business (B2B) export capacity in the global market and business-to-consumer (B2C) in the Chinese market through Alibaba.com.

Slim to invest \$210 million US dollars in another cement production line in Hidalgo

Cementos Fortaleza, a cement company founded by Carlos Slim Helu, will invest \$210 million US dollars in a second cement production line in the municipality of Santiago de Anaya in Hidalgo. The construction of the new plant to produce cement and mortar was supported, because sales of the main cement companies in Mexico grew 14% during the third quarter of 2021. The total investment to develop the El Palmar Line 1 and Line 2 plant is estimated at \$210 million (or 4.333 billion pesos), which will be Trituradora y Procesadora de Materiales Santa Anita's own resources, it adds. The capital allocated by Elementia's subsidiary will generate several direct and indirect jobs during the site preparation and construction phases, in addition to the permanent jobs that will be hired during operation and maintenance.

New Tulum Airport will serve 4 million passengers a year and will have a military base

New Tulum International Airport 'Felipe Carrillo Puerto' will have the capacity to handle 4 million passengers a year, assured General Gustavo Vallejo. The military officer also announced that this new airport port will have a military base and will be integrated with the current road system and the Mayan Train, which is currently under construction. It was also announced that a 10.5-kilometre commercial and service corridor will be

built to connect federal highway 307 with the new Tulum International Airport. General Gustavo Vallejo emphasised that the Felipe Carrillo Puerto Airport will have 'the largest and best quality runway' in southeastern Mexico, with a length of 3,700 metres.

Mexico City to invest \$5 billion pesos in Metro Line A

After the Metro Line A presented problems due to failures in the electrical supply, the head of Mexico City government, Claudia Sheinbaum, announced that the federal government will contribute \$5 billion pesos to the capital for the purchase of 10 trains and repair of the floor. She explained that part of the resource will be used to make "injection of material in different parts of the soil of Zaragoza so that erosion does not continue" and explained that the area has significant problems of differential subsidence.

Nowports becomes the new Mexican unicorn after raising \$150 million US dollars

Nowports has no trains, planes or ships of its own, but as the fastest growing player in a space called digital freight forwarder, it has just become the new Mexican unicorn after reaching a valuation of \$1.1 billion US dollars. It is the first unicorn to come out of the city of Monterrey, its CEO Alfonso de los Ríos (23 years old), arrives there as the youngest co-founder of a unicorn in Latin America. This company that he co-founded at the end of 2018 together with Uruguayan Maximiliano Casal (director of operations) digitizing import and export processes, has offices in Mexico, Chile, Colombia, Uruguay, Peru, Brazil, Panama and the United States.

Arca Continental wants to double PET recycling; would invest \$150 million dollars

In the plans of Arca Continental, PetStar and Coca

Cola is to collect and recycle each of the PET bottles they put on the market, so in the next 5 to 6 years will seek to double its capacity to process and reach 170,000 tons annually, which would represent an investment of \$150 million dollars. The bottling company's director of public affairs, Jesús Lucatero, said that they can currently process 90,000 tonnes of PET, equivalent to filling the Azteca Stadium three times a year. He highlighted that they have the largest recycling plant in the world in Toluca, which processes around 90,000 tonnes, in addition to 1,500 collection partners throughout the country; furthermore, Arca Continental, in the 14 states where it operates, collects and recycles 7 out of every 10 PET bottles they put on the market.

Brose announces investment of 400 million pesos to expand Querétaro plant

Brose, the automotive company, will expand its operations in the state, with an investment of \$404 million pesos and with the expectation of generating 110 highly-skilled jobs. This is the first investment announcement to be made during the tour of Europe undertaken by Governor Mauricio Kuri González in the company of state public servants and local businessmen. In parallel to this announcement, the governor informed that the German firm is also working on the installation in Querétaro of a new project that it plans to land in the Bajío region. As part of the work agenda, Mauricio Kuri met with the CEO of Brose Sitech, Thomas Spangler; at the meeting they discussed new ways of collaboration, as well as the implementation of educational programmes and entertainment centres specialising in the automotive sector. The state president highlighted the consolidation of new growth plans for the company in Querétaro, hand in hand with Volvo, through the acquisition of an 800T Servornechanich press that will be installed in the Aerotech Industrial Park in Colón.

AGRICULTURE

Low performance seen in Mexican maize production

Maize production in Mexico registers low yields per hectare, which is related, among other factors, to the fact that seeds that can double or quadruple the volume of harvests are not used. The commercial director of Bayer's Agricultural Division in Mexico, Nery Echeverría, explained that there are also other aspects that have an impact on grain sowing, such as the increase in fertiliser prices, which are 200% more expensive than last year. If a criollo seed is sown, the yield per hectare is one to two tonnes, but if a hybrid is used, seven or even eight tonnes per hectare can be achieved, because this type of input has resistance to disease, high yields, as well as tolerance to some pests and insects. In Mexico in 2021, between 44 million and 45 million tonnes of maize were consumed, while only 27 million tonnes were produced, which meant importing between 17 and 18 million tonnes.

Producers repudiate US potato imports

The National Confederation of Potato Producers of the Mexican Republic (Conpapa) has spoken out against the importation of fresh potatoes from the United States into Mexico, which "has a high risk of containing quarantine pests". The producers accused the Ministry of Agriculture and Rural Development (Sader) and the National Service for Agri-Food Health, Safety and Quality (Senasica) of failing to inform about the risks involved in importing these potatoes. According to the potato producers, US potatoes are treated with a chemical product not authorised by the Federal Commission for Protection against Health Risks (Cofepris), that could be a health risk for consumers. The import of US potatoes "represents a dangerous risk to the health of our soil and crops. Unfortunately, the consequence

will be more poverty and food dependency," they concluded.

Growing dependence on imports of pork and poultry meat

Chicken and pork have positioned themselves as the preferred animal proteins of Mexicans. However, their consumption is growing faster than domestic production, so imported product has gained market share in the last decade and Mexico's dependence on imports is on an upward trajectory. Last year, imports accounted for 19% of apparent national consumption of chicken meat, 0.2% more than in 2020 and 6.6% more than in 2013, according to calculations based on figures from the Agrifood and Fisheries Information Service of the Ministry of Agriculture and Rural Development. In a broad look, from 2013 to 2021, Mexican consumption of chicken meat has expanded 4.4% each year on average, while domestic production has grown 3.4% and imports have grown 10.1%. In the case of pork, consumption has risen at an average rate of 4.6%, while local production has grown at a rate of 3.5% and imports at a rate of 8.6%. Over the same period, for the sake of comparison, beef consumption grew by just 0.1% each year, with local production rising by 1.5% and imports falling by 3.4%.

Costa Rica lifts ban on Mexican avocados

Costa Rican President Rodrigo Chaves announced the lifting of the restriction on Mexican avocado imports that had been in place since 2015, a case that generated a bilateral dispute in which the World Trade Organisation (WTO) ruled in favour of Mexico. In May 2015, Costa Rica decided to ban the import of Mexican avocado of the hass variety, considering that there is a risk of the "Sunblotch" pest entering the country. In March 2017, Mexico requested the intervention of the WTO, considering that Costa Rica's measures

unduly restrict avocado trade. On 13 April 2022, the World Trade Organization (WTO) agreed with Mexico on much of its argument against Costa Rica's restrictive measures on imports of Mexican avocados, according to an arbitration panel ruling. Chaves, who assumed the Costa Rican presidency on 8 May, said on Wednesday that his duty is to "correct the mistake that was made in public policy" and also "protect the country from even greater damage" in reference to a possible economic claim.

Agricultural production fintech raises \$5m in investment round

The financial technology company focused on agricultural production, Verqor, announced its official launch and the closing of a \$5 million investment round, capital that will be used to expand the range of services it provides to farmers in Mexico. The fintech seeks to boost the agricultural sector in the country by offering credit for agricultural products. Since its founding in 2020, the company has distributed more than \$3.7 million in inputs to 600 producers, including Grupo Modelo and Ab InBev.

THE ENERGY SECTOR

Mexico to renew oil coverage

Mexico is expected to renew its oil hedge against fluctuating crude prices next year, maintaining one of the largest energy transactions on Wall Street, despite President Andres Manuel Lopez Obrador's plan to halt exports. Each year, Mexico engages in one of the biggest and most secretive transactions in the crude market, locking in prices to protect revenue from one of its main exports. The transaction effectively makes Mexico's finance ministry one of the largest sellers of oil

contracts for the next 12 months. It is likely to hedge prices for 2023 if oil markets are sufficiently stable, while current volatility may make it more difficult to close a deal at a reasonable price. The cost of trading oil has risen sharply this year due to high prices and wild swings, prompting some traders to pull out of the market.

The purchase of Deer Park generated a profit of \$195 million US dollars

General director of Petroleos Mexicanos (Pemex), Octavio Romero Oropeza, mentioned results of the Deer Park refinery in Houston, Texas, 100 days after the state productive company took control, as it added a profit of \$195 million US dollars (about \$4 billion pesos). Romero Oropeza pointed out that this was obtained with a processing level of 282,000 barrels of crude oil per day and a production of 294,000 barrels of oil products per day, of which 84.2% were distillates (gasoline, diesel and turbosine). Refining market conditions have been favourable this year, with price differentials between crude oil and products widening.

Mexico's energy regulator fines Iberdrola \$9 billion pesos

Mexico's Energy Regulatory Commission (CRE) has fined Iberdrola \$9.145 billion pesos, about \$466 million US dollars. The agency considered the Spanish multinational broke the law by selling electricity to its partners. The company denies any wrongdoing. The decision is the first major punishment of a private operator since President Andrés Manuel López Obrador came to power with the promise to "rescue" the country's energy sovereignty. The CRE's ruling comes in response to a complaint filed in 2020 by the Federal Electricity Commission (CFE). Among the companies denounced is an Iberdrola combined cycle plant in Monterrey that supplies businesses

and factories through a self-supply scheme. The procedure opened by the CRE focuses on the disputed nature of these schemes and the alleged illegality of the sale of electricity from private generators to other companies. After receiving the complaint, the regulator requested invoices from the Tax Administration Service (SAT) that according to them prove, Iberdrola received payments for supplying electricity to its partners. According to the CFE and the regulator, the Public Electricity Service Law does not allow private generators to receive consideration for supplying electricity to their partners. According to the CRE, the law only allows the sale of electricity to the CFE, and that only when there is a surplus or an emergency situation. Exceptions do not include, according to the resolution, selling electricity to partners. Against this position, Iberdrola argued the invoices presented by the CRE do not demonstrate the alleged sale of electricity and that, in any case, the law does not explicitly prevent payments from its partners. What the law prohibits, it said, is that energy can be sold to companies that are not partners in the self-supply scheme. The decision by the CRE, most of whose members have been proposed by the president, is a warning to other energy companies that supply the private sector and may face similar sanctions.

Pemex and Italy's Eni may share a possible oil field

The National Hydrocarbons Commission (CHN) said there are indications of a possible shared field between Petróleos Mexicanos (Pemex) and Italy's Eni in shallow waters, which would be the second case for the state-owned oil company with another private operator. According to the CNH, the exploratory well Atoyatl-1EXP to be drilled by Pemex, which corresponds to assignment AE-0149-M-Uchukil, invades Eni's Miztón field.

Ministry of Energy, in charge of the Dos Bocas refinery, spent 578% more than its budget in 2021

Ministry of Energy (Sener), headed by Rocío Nahle, spent 578% more than its approved budget for 2021. This places it as the agency with the largest overspending in the executive branch, as the Chamber of Deputies had approved \$47 billion pesos, but received budget increases to reach \$319 billion pesos. This is the agency in charge of the construction of the Dos Bocas refinery, built in Paraíso, Tabasco, which is considered one of the current administration's priority works to achieve "energy sovereignty". The progress of spending on the refinery remains opaque, because the Ministry of Finance (SHCP) did not disclose this information in the "investment projects" section of the 2021 Public Account.

THE AUTOMOTIVE SECTOR

More than 80 thousand light vehicles were sold from January to April in Mexico

INEGI released the Administrative Registry of the Light Vehicle Automotive Industry (RAIAVL), which comes from 22 companies affiliated to the Mexican Association of the Automotive Industry, A.C. (AMIA), Giant Motors Latin America and Autos Orientales Picacho. In April 2022, 83,459 units were sold in the domestic market, representing a variation of -1.0% compared to the same month in 2021. During January-April 2022, 336,841 light vehicles were sold and, in this same period, 1,100,592 units were produced in Mexico. Light trucks represented 79.7% of total production, while the rest corresponded to the production of automobiles. In April 2022, 241,286 light vehicles were exported and, during the January-April 2022 period, 922,278 units were

exported, a decrease of 0.6% compared to the same four months of 2021.

Querétaro's automotive cluster will increase production in 2022

According to Renato Villaseñor, President of Cluster Automotriz de Querétaro, auto parts manufacturing this year will increase by 6.8% compared to last year. The businessman indicated that despite the problems related to the supply chain, semiconductor manufacturing and Russia's invasion of Ukraine, they are very optimistic. He explained that during the month of April, national heavy vehicle sales reached 3,275 units, an increase of 28.3% compared to the same period last year, which meant an increase of 722 additional vehicles. He said that although fewer vehicles are being produced in the country, the cluster is working as a team to "win new projects and so that each vehicle assembled in the region has more auto parts made in our country". According to the Mexican Association of Automotive Distributors (AMDA), the sales expectation for 2022 forecasts that the market will have sales of close to 1,16,972 vehicles, which represents a slight advance with respect to 2021.

Automakers seek to produce close to 4 million vehicles in Mexico by 2025

The Mexican Association of the Automotive Industry (AMIA) indicated that by 2025, assemblers in the country will seek to produce close to 4 million vehicles, once the supply chain disruptions caused by the lack of semiconductors have been overcome. In the framework of a panel organised by the fintech Equity Link, he indicated that projections indicate that vehicle production in the country will improve in the second half of the year due to a greater supply of semiconductors. According to the latest data from the National Institute of Statistics and Geography, 251,547 light vehicles were produced in April, a

decline of 6.6 percent compared to the same month a year earlier. At the end of 2021, 2,979,276 cars were assembled, a decline of 2 per cent compared to the 3,40,178 units produced the previous year. Zozaya said that, according to data from AlixPartner, the losses due to the vehicles that were not produced amounted to 210 billion dollars globally, as a result of the lack of inputs.

Slim's car start-up, JAC, sells 6 out of 10 electric vehicles in Mexico

2021 was a historic year for JAC Mexico, not only because its sales grew 92.1% compared to 2020, but also because six out of every 10 electric vehicles sold in the country were of its brand. For its CEO, Isidoro Massri, beyond certain myths, the country deserves this technology, so they want to be the number one player for electrification. According to data from the Mexican Association of the Automotive Industry (AMIA), 1,140 electric cars were sold last year, which meant a growth of 153% compared to 2020, representing 0.11% of the market. The brand assembled in Mexico by Giant Motors Latin America, where Carlos Slim is a majority shareholder, closed 2021 with an accumulated growth of 92.1% compared to 2020.

BILATERAL NEWS AND EVENTS- MEXICO AND OTHER COUNTRIES

INDIA

Ambassador and Embassy officers' visited JK Tyres Tornel

Ambassador Pankaj Sharma and Embassy officers had a productive & educative visit to the plant that brings the best of India & Mexico. Running successfully since 2008 & exporting to all of

Americas, credits to CEO Pravin Chaudhari & his great team.

Ambassador and Second Secretary (E&C) met with Rector of Chapingo

Ambassador Pankaj Sharma and Second Secretary Vallari Gaikwad met with Rector of Chapingo Autonomous University, Dr. Jose Ramírez. Discussions included fostering academic & faculty exchanges between Mexico & exploring possibilities of engaging with UPL-Ltd & Grupo Motomex (Mexican distributors of Mahindra Automotive).

Ambassador met VP and other representatives of KEC International

Ambassador Pankaj Sharma held a meeting with the VP (Business Development) KEC Intl. Ltd., Mr. R. Mani & Head of SAE Towers- KEC's 100% subsidiary in Monterrey, Mr. Jose Hernandez. KEC International is a global EPC company engaged in Power Transmission & Distribution, Railways, Civil, Electrical Cables etc. Possibilities of expanding their investments and business in Mexico were discussed.

Ambassador and Second Secretary (E&C) met representatives of Mahindra & Mahindra's

Ambassador Pankaj Sharma and Second Secretary Ms. Vallari Gaikwad met with Mahindra & Mahindra's Country Head of Mexico Mr. Madhav Kelkar & Director, Grupo Motomex, Carlos Martínez. They discussed enhancing trade & investments of their tractors & vehicles in Mexico including possible engagements with Agricultural Universities.

Ambassador and Second Secretary (E&C) met with the Head of sales of Parle Products from India

Ambassador Pankaj Sharma & Second Secretary (E&C) Vallari Gaikwad met with the Head of sales

of Parle Products from India, Mr. Sareen and President of Parle-G in México Mr. Mohan Shivankar and their team. They discussed increasing the production and presence of Parle-G in México and all of Americas, including the possibility of launching low sugar biscuits in Mexico.

Ambassador Pankaj Sharma and Embassy officials met with representatives of BYJUS

Ambassador Pankaj Sharma and Embassy officials met with representatives of BYJUS in Mexico, Mr.Carlos Tejada & Mr.Ronald Abanto. As one of India's largest tech unicorns, the discussions included exploring possibilities of enhancing their outreach to Mexico and help extend benefits for Mexican children & students.

Ambassador Pankaj Sharma and Embassy officials met with representatives of AXA Parenterals

Ambassador Pankaj Sharma, Second Secretary (Economic & Commercial) Vallari Gaikwad and Third Secretary (Economic & Commercial) Prasad Shinde met with Director Ruchir Gupta of AXA Parenterals and his colleagues to discuss their operations and business potential in Mexico. Axa Parenterals is a leading Indian pharma company specialising in Sterile Parenteral preparations & hospital products.

UNITED STATES

Mexico and the U.S. announce modernisation of binational border ports of entry to boost economic growth

Minister of Foreign Affairs, Marcelo Ebrard Casaubon, and the US Ambassador to Mexico, Ken Salazar, headed the Strategic Border Infrastructure Forum. The meeting, in Tijuana,

Baja California, was aimed at promoting the work being done by Mexico and the United States to modernise existing infrastructure and build new ports of entry. This will contribute to the economic growth of the border cities of both countries. At the Forum, 13 border infrastructure projects between Mexico and the United States were discussed. The projects will boost economic growth and improve living conditions for people living in the border region. In particular, the Mesa de Otay II-Otay Mesa East International Crossing project will create a new high-tech port of entry that will decongest the area's crossing system and significantly reduce screening times. On the Chihuahua-New Mexico border, the modernisation of the San Jeronimo-Santa Teresa Crossing and its access roads will streamline the crossing and represent an alternative to relocate commercial traffic that currently crosses the Ciudad Juarez-El Paso urban area. One of the main challenges in the border region is the economic impact of border crossing delays, which can generate billions of dollars in losses for both countries, which is why it is essential to speed up border crossing wait times. Improving the efficiency and optimisation of ports is essential to achieve this objective.

U.S. to invest \$30 million US dollars in southeast Mexico

After hearing the announcement of an investment of \$30 million US dollars from the United States Agency for International Development (USAID) in the Mexican Southeast, in order to promote environmentally friendly markets that will have a positive impact on communities, the U.S. Ambassador Ken Salazar highlighted the joint strategy of the Biden and López Obrador administrations to promote development in this region, in addition to the work with the governments of Yucatán, Oaxaca, Tabasco, Campeche, Quintana Roo, Chiapas and

Veracruz. At the head of the Fifth Meeting with Governors of the South-Southeast, the diplomatic representative affirmed that "President Biden is committed to the economic success of North America, including southeastern Mexico. The success of Mexico is the success of North America".

President AMLO met Ken Salazar for investments in energy sector

President Andrés Manuel López Obrador held a meeting on 25 May with Ken Salazar, the U.S. Ambassador to Mexico, and U.S. businessmen to discuss investment opportunities in the energy sector. The meeting was also attended by Rocío Nahle, Minister of Energy, Marcelo Ebrard, Minister of Foreign Affairs, Manuel Bartlett and Octavio Romero, General Directors of the Federal Electricity Commission (CFE) and Petróleos Mexicanos (Pemex), respectively. This is the second meeting that the federal executive has held with American businessmen; he received the executive director Thomas Hill of Vulcan Material Company, the company that has the material bank in Playa del Carmen, which was closed down by the Federal Attorney's Office for Environmental Protection (Profepa) at the beginning of the month.

UNITED KINGDOM

First round of negotiations: UK-Mexico FTA

Mexico and the UK have scheduled the first round of bilateral Free Trade Agreement (FTA) negotiations for the week beginning 11 July 2022. The governments of both countries plan to conclude the negotiating round before the end of this year. With that timetable in place, Tatiana Clouthier, Mexico's Economy Minister, and Anne-Marie Trevelyan, UK Trade Minister, took part in an event in London, to announce the formal start

of negotiations. Clouthier announced the new FTA would include chapters on trade in goods, trade in services, regulatory cooperation, digital trade, innovation, gender issues and SMEs, among others. The UK-Mexico FTA would also include regulations on investment flows and support businesses in both countries to access and make better use of existing and new global supply chains.

FRANCE

Deputy Minister Moreno Toscano held meeting in France

As part of her working tour of European capitals, Deputy Minister for Foreign Affairs, Carmen Moreno Toscano, held a meeting led by Caroline Ferrari, Deputy Secretary General of the French Ministry for Europe and Foreign Affairs, and Michèle Ramis, Director for the Americas and the Caribbean at the same institution. At the meeting, Deputy Minister Moreno Toscano conveyed the Mexican government's congratulations on the re-election of President Macron and welcomed the initiatives undertaken by both countries, both multilaterally and bilaterally, in the face of the complex situation arising from the conflict in Ukraine. Both delegations turned to the subject of the Modernised Global Agreement between Mexico and the European Union and agreed on the importance of signing it at such an uncertain time for the international community. They reaffirmed the importance of signing it as negotiated, since it is not only a trade instrument, but a text that strengthens political dialogue, investment and cooperation between the two parties.

ARGENTINA

Argentina's Minister of Foreign Affairs, International Trade and Worship, Santiago Cafiero, visits Mexico

Minister of Foreign Affairs, Marcelo Ebrard Casaubon, and the Minister of Foreign Affairs, International Trade and Worship of the Argentine Republic, Santiago Cafiero, co-chaired the fifth meeting of the Association Council of the Mexico-Argentina Strategic Partnership Agreement (SAA), the main mechanism for institutional dialogue, and previously held a productive private meeting in which they reaffirmed the traditional ties of friendship and cooperation between the two countries. They agreed to continue deepening the Strategic Partnership in its various areas of work (political, economic-commercial and cooperation issues), based on shared values and interests. They also welcomed the progress made in the Council, particularly on new issues such as the digital agenda, international humanitarian assistance and integrated disaster risk management, and gender, while agreeing to incorporate the issues proposed by both societies in the "III Forum of Reflection" held in April 2021, in various areas of common interest.

EL SALVADOR

President AMLO visited El Salvador to meet with President Nayib Bukele

President Andrés Manuel López Obrador arrived in the Republic of El Salvador, the second stop on his tour of Central America. Accompanied by the Secretary of Foreign Affairs, Marcelo Ebrard Casaubon, and part of his cabinet, the president arrived at the "Óscar Arnulfo Romero" International Airport from the Guatemalan capital. López Obrador held a private meeting with Salvadoran President Nayib Bukele Ortiz,

followed by another meeting with their delegations.

MULTILATERAL EVENTS AND NEWS **INVOLVING MEXICO**

Deputy Minister of Foreign Affairs, working tour to strengthen relations with Europe

On 16 May, Deputy Minister Carmen Moreno Toscano began working tour of Europe. The first destination was Brussels, Belgium. On the bilateral level with Belgium, Deputy Minister Moreno met with Antoine Evrard, Head of Cabinet of the Deputy Prime Minister and Minister of Foreign Affairs of Belgium, Sophie Wilmès. At the meeting they discussed the state of bilateral relations between the two countries and projects to strengthen them. Regarding the European Union, Deputy Minister Moreno had an extensive agenda of activities, including meetings with representatives of the different components of the European institutions. She met with Pedro Serrano, head of the cabinet of High Representative Josep Borrell, as well as with the Permanent Representative of the Czech Republic to the European Union, Edita Hrdá. She also held a working meeting with the Director for the Americas of the European External Action Service, Brian Glynn. At these meetings, the state of relations between Mexico and the European Union was discussed, as well as the importance of modernising the Global Agreement in the current context and global challenges, including the issue of the Russian invasion of Ukraine. The official also opened the second meeting of the Executive Committee of the Mexico-EU Joint Fund, at which Mexican authorities presented projects related to

the health and research sector for bilateral implementation.

COMMERCIAL NEWS FROM BELIZE

Ministry of Tourism and Diaspora Relations working to brief more airlines into Belize

Ministry of Tourism and Diaspora Relations is actively working to boost the number of tourists traveling to Belize by making the country more accessible to visitors through air travel. Minister of Tourism and Diaspora Relations Anthony Mahler led a delegation in Europe to meet with airlines about offering flights to Belize. The group held a meeting in Frankfurt, Germany as a part of their itinerary. Up until the COVID-19 pandemic, Belize was seeing successive record-breaking years in visitor arrivals, which were impacted largely by the fact that an increasing number of airlines began offering service within the past few years.

Major Taiwanese seafood company expresses interest to import seafood from Belize

One of the largest seafood importers in Taiwan, YEN & Brothers Enterprise CO., LTD., was recently in Belize and met with major seafood exporters with a view to buy seafood from Belize. The company visited with local producers of white farmed shrimp, Tilapia and lobster. The representative from YEN & Brothers Enterprise CO., LTD., Dana Tseng, met with Alvin Henderson of the Belize Shrimp Growers Association in Independence Village and discussed future cooperation with the local growers of white farmed shrimp.

Mexico's Agriculture Minister, guest speaker at opening of National Agriculture & Trade Show

Mexico's Agriculture Minister Dr. Víctor Manuel Villalobos Arámbula guest speaker at the opening of the National Agriculture & Trade Show held

from May 27-29 in Belmopan. Mai met on a couple of occasions Villalobos in his open efforts to open Mexican markets to Belize's products, mainly livestock. He convinced Villalobos Arámbula to sign a number of agriculture and technical collaboration agreements, the relationship with Mexico has gotten tighter with the state visit by Prime Minister John Briceño to Mexico in October/November 2021 and the subsequent visit by Mexican President Andrés Manuel López Obrador to Belize the previous month. The Mexican President's announcement that he was lifting tariffs on Belize agricultural products exported to Mexico, including livestock, further cements the good relationship Belize and Mexico are developing. Mexico can still offer Belize more in areas of cooperation and the Agriculture Minister's visit on the occasion of Belize's grandest agriculture and trade show signals greater cooperation in the agriculture field.

Inflation, Heavily Felt in Rural Communities

Higher prices on goods and fuel are taking a serious financial toll on all Belizeans. Across the country, an increase in the cost of basic commodities is impacting the ability of families to purchase food items. It is an economic situation that is most felt in rural communities.

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

Note: Posted below is the latest data from Mexico

MEXICO IMPORTS FROM INDIA BY COMMODITY (Jan – December 2021)

No.	HS Code	Description	Value USD (thousands USD)
1	87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	1,391,199
2	84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	653,513
3	76	Aluminium and articles thereof	551,883
4	29	Organic chemicals	520,260
5	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	432,647

6	98	Commodities specified at chapter level	298,580
7	72	Iron and steel	191,586
8	30	Pharmaceutical products	184,249
9	39	Plastics and articles thereof	151,214
10	69	Ceramic products	148,761

Source: Trade Map, ITC

MEXICAN EXPORTS TO INDIA BY COMMODITY (January - December 2021)

No.	HS Code	Description	Value USD
1	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	186,443
2	71	Natural, cultured pearls; precious, semi-precious stones; precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	153,692
3	84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	102,805
4	29	Organic chemicals	49,331
5	72	Iron and steel	32,672
6	32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	29,002

7	39	Plastics and articles thereof	26,314
8	87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	25,192
9	76	Aluminium and articles thereof	12,473
10	90	Optical, photographic, cinematographic, measuring, checking, medical or surgical instruments and apparatus; parts and accessories	7,701

Source: 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 - December 2021 (Figures in Thousand USD)

TRADE BALANCE BELIZE – INDIA (Jan- December 2021) thousands of USD		
Exports	Imports	Total trade
324	14,052	14,376

TRADE BALANCE BELIZE – WORLD (Jan-December 2021) thousands of USD		
Exports	Imports	Total trade
257,479	1,057,442	1,314,921

BELIZE IMPORTS FROM INDIA BY COMMODITY (Jan-December 2021)

No.	HS Code	Description	Value (thousands USD)
1	24	Tobacco and manufactured tobacco substitutes of such articles	6,939
2	72	Iron and steel	2,812
3	38	Chemical products N.E.C.	945
4	30	Pharmaceutical products	711

5	87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	393
6	94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings	313
7	62	Articles of apparel and clothing accessories, not knitted or crocheted	284
8	61	Apparel and clothing accessories; knitted or crocheted	271
9	63	Textiles, made up articles; sets; worn clothing and worn textile articles; rags	212
10	40	Rubber and articles thereof	189

BELIZE EXPORTS TO INDIA BY COMMODITY (Jan-December2021)

No.	HS Code	Description	Value (thousands USD)
1	23	Food industries, residues and wastes thereof; prepared animal fodder	317
2	30	Pharmaceutical products	7