

## **Competitive advantages**

## Global business partners

## A country of business

On international trade, Mexico has been focused on diversifying its markets, for its products and services, trough the signing of many trade agreements with European, Asian and American economies. In this way, the country positions itself as an entrance door to a market that represents around 60% of world's GDP, with over a billion of potential consumers.

Mexico has signed Free Trade Agreements (FTA) and an Economic Partnership Agreement (EPA), gaining preferential access to the markets of 46 countries that include the largest economies of the world, such as the United States, Canada, the 28 members of the European Union and Japan. Mexico also has 6 Economic Complementation Agreements (ECA), as well as two Partial Scope Agreements.

Agreements	Percentage of World's GDP 2016	Population 2016 (millions of people)
North America FTA	28.1%	481.8
European Union FTA	23.2%	631.2
FTA Israel	1.8%	130.8
European Free Trade Association FTA	2.8%	136.2
FTA Uruguay	1.5%	125.8
Single FTA Center America (El Salvador, Nicaragua, Honduras, Costa Rica & Guatemala)	1.6%	164.4
FTA Panama	1.5%	126.3
FTA Pacific Alliance (Chile, Colombia & Peru)	2.4%	220.7
EPA Japan	7.9%	249.2
ECA Argentina	2.1%	165.9
ECA Bolivia	1.4%	133.2
ECA Cuba	1.5%	133.4
ECA Brazil	3.8%	328.4
ECA Mercosur*	4.9%	413.3
PSA Ecuador	1.5%	138.8
PSA Paraguay	1.4%	129.1
Total	63.1%	1,583.3

FTA: Free Trade Agreement.

EPA: Economic Partnership Agreement.

ECA: Economic Complementation Agreement.

PSA: Partial Scope Agreement.

\*In addition, Mexico has signed the ECA 55 for the Automotive Sector.

In order to enforce the legal protection of monetary flows for the productive sector, Mexico has 30 Promotion and Reciprocal Protection of Investments Agreements (IPPA) signed with 31 countries. There has also been an effort to avoid equivalent taxation during the same period of time by two or more taxation authorities on the participants of the Mexican market, through the signing of Double Taxation Avoidance Agreements

Source: Secretariat of Economy, International Monetary Fund, 2017.

Therefore, with its international trade strategy, Mexico offers access to diverse markets, tariffs reductions, investment opportunities, legal transparency, intellectual property protection, and just and attractive competition.