

THE COMPETITIVE ADVANTAGES OF MEXICO IN FOREIGN TRADE

Mexico, being one of the strongest players in global trade, stands out for its remarkable competitive advantages in foreign trade and customs. With a combination of tariff deferral programs, an extensive network of treaties and trade agreements, a strategic geographical location, skilled labor, and nearshoring practices, Mexico positions itself at the forefront of international business operations.

Duty Deferral Programs:

Mexico's duty deferral programs allow companies to import raw materials and components without paying duties, provided that the final products are exported. Among these programs, the IMMEX (Manufacturing, Maquiladora, and Export Services Industry) and the PROSEC (Sectoral Promotion Program) stand out, boosting the competitiveness of Mexican companies by reducing production costs. In addition to these programs, Mexico has other registrations and mechanisms such as certified company registration and the eighth rule, among others.

Free Trade Agreements:

Mexico has signed a series of trade agreements that offer preferential access to various international markets. The most notable is the USMCA (United States-Mexico-Canada Agreement), which facilitates trade and investment between these three countries. Furthermore, Mexico has trade agreements with over 50 countries, including the European Union, Japan, and many Latin American countries, providing access to a global market of over one billion consumers.

Geographical Location:

Strategically located between North America and Latin America, with coastlines on the Pacific Ocean and the Gulf of Mexico, the country offers easy access to North American markets and serves as a gateway to Latin America. This positioning, along with a well-developed port and logistics infrastructure, enables Mexico to efficiently move goods through various trade routes.

Skilled Labor:

Mexico has a broad base of highly skilled workers, particularly in areas such as advanced manufacturing, engineering, and IT. The country's educational system, with a focus on technical and vocational training, generates a constant flow of new professionals prepared to meet the demands of modern industries. This allows companies operating in Mexico to benefit from a competitive workforce in terms of costs and skills.

Nearshoring:

Lastly, Mexico has become a preferred location for nearshoring, the practice of relocating business operations to neighboring countries to take advantage of lower costs and similar time zones. With its proximity to the United States, companies can maintain short and efficient supply chains, improve coordination with operations in the home country, and optimize service delivery to customers.

Infrastructure and Logistics:

In addition to its geographical location, Mexico has made significant investments in the development of its infrastructure. Its extensive network of ports, airports, roads, and railways facilitates the rapid and efficient transportation of goods both nationally and internationally.

Furthermore, Mexico has made considerable investments in technology and digitization to streamline customs and trade operations, further enhancing its appeal as a trade hub.

Business and Innovation Culture:

Mexico also has a vibrant and innovative business culture. There is a growing focus on innovation and technology in the Mexican business sector, with many companies investing in R&D and exploring new technologies and business practices. This, combined with the entrepreneurial spirit of the Mexican population, creates a favorable environment for businesses and investment.

In conclusion, Mexico offers a range of competitive advantages that make it an attractive destination for trade and investment. Through its combination of trade treaties, tariff deferral programs, logistics infrastructure, skilled labor, and nearshoring practices, a dynamic and appealing business environment is created.

Mexico provides unique opportunities for companies and entrepreneurs looking to expand internationally. However, it is essential to fully understand local regulations and market conditions before embarking on new business operations.

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