

COVID IMPACT ON INTERNATIONAL TRADE

CONSUL GENERAL JONATHAN CHAIT



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SECRETARÍA DE
RELACIONES
EXTERIORES

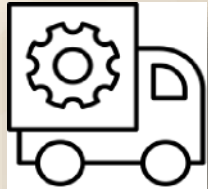


NORTH AMERICA'S Economic Potential

NEW TRENDS IN GLOBAL CONSUMPTION

From Global Trade to Regional

Global demand is changing towards higher consumption in **emerging markets**.

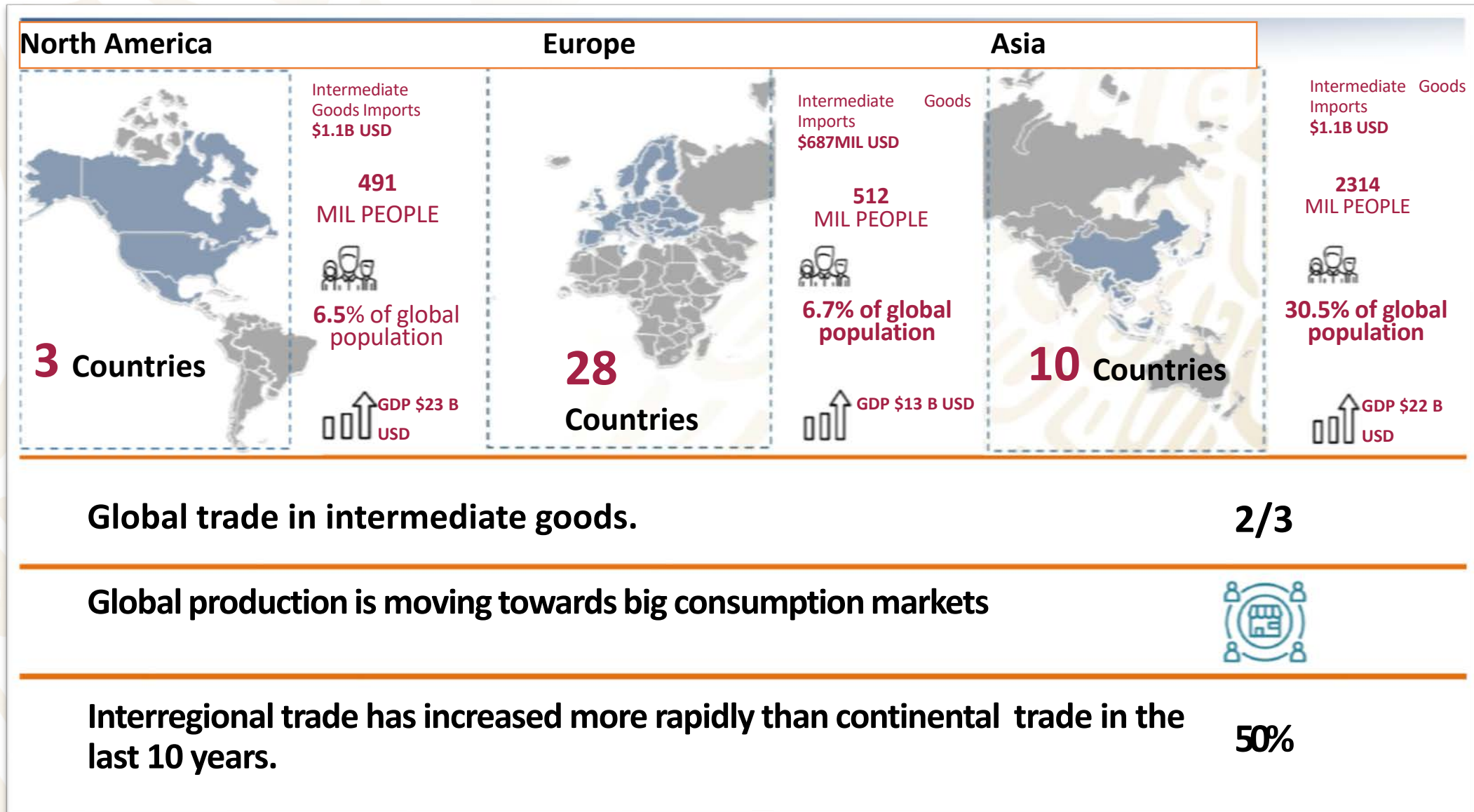


Multinationals are searching for domestic supply chains to reduce cost in trade of intermediate goods

Technology is fostering regionalization and increasing valued added through services in trade goods.

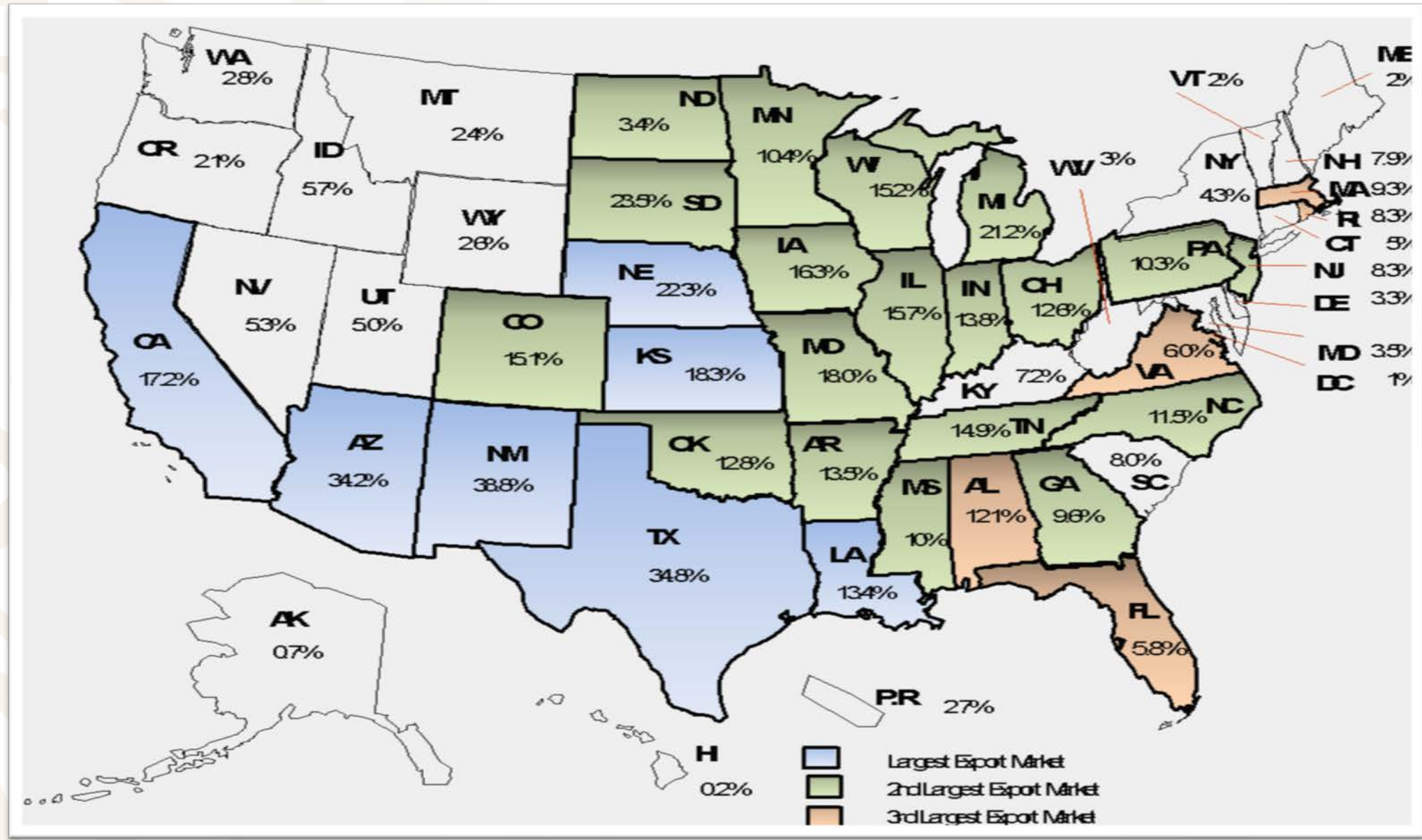


STRUCTURAL CHANGES IN INTERNATIONAL TRADE



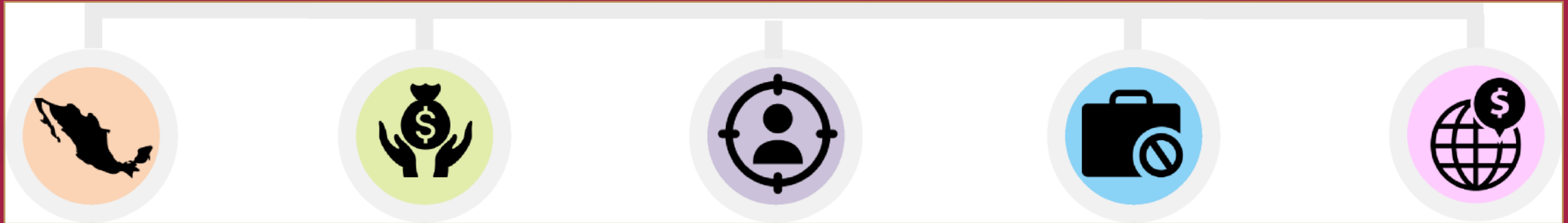
MEXICO IS AN IMPORTANT EXPORT DESTINATION FOR EACH U.S. STATE

Mexico ranks among the top 3 export markets for 31 states



Source: SE-Washington with data from Wisertrade.

MEXICAN COMPETITIVE ADVANTAGE



GDP
\$1.2 T USD

15% OF 2018
GLOBAL POP

FDI
\$32B USD

12% OF
GLOBAL POP

113,944
GRADUATES
PER YEAR
IN ENGINEERING /
MANUFACTURING

3.6%
UNEMPLOYMENT
RATE

EXPORTS
\$450B USD
13% OF GLOBAL
POP

Situation during COVID-19

Deterioration of the global economy

Unemployment

Hospitality sector

Risk of collapsing

Consequences in Mexico

Exports

Growth

Tourism

Remittances

Urgency of reviving the economy

Border

Essential sectors

Plan reviving the economy

REGIONAL LIGHT SYSTEM

Activities allowed as of June 1, 2020:

Region	Activity	Description of activities
Red	Schools	Suspended
	Public spaces	Suspended
	Only essential economic activities	Only those work activities Considered essential
Orange	Schools	Suspended
	Public spaces	Reduced access allowed to public space activities in open spaces. Suspended in closed spaces.
	General economic activities	Essential and non essential work activities with reduced operation
Yellow	Schools	Suspended
	Public spaces	Access allowed to public space activities in open and closed spaces with certain restrictions
	General economic activities	All work activities
Green	Schools	No restrictions
	Public spaces	
	General economic activities	

Reopening Plan (starting June1)

Stage 1- Re-opening of the following industries:

- 1) Construction
- 2) Mining
- 3) Transportation (including automotive and aerospace)

Reopening of activities in the municipalities where no cases of COVID-19 have been detected.

Stage 2

Preparing for the reopening of activities in general

Stage 3

Reopening of social, education and economic activities.

MODERNIZING USMCA

USMCA ARCHITECTURE



1. Initial Provisions and General Definitions	12. Sectoral Annexes	23. Labor
2. National Treatment and Market Access for Goods	13. Government Procurement	24. Environment
3. Agriculture	14. Investment	25. Small and Medium-sized Enterprises
4. Rules of Origin	15. Cross-Border Trade in Services	26. Competitiveness
5. Origin Procedures	16. Temporary Entry	27. Anticorruption
6. Textiles and Apparel	17. Financial Services	28. Good Regulatory Practices
7. Customs and Trade Facilitation	18. Telecommunications	29. Publication and Administration
8. Energy	19. Digital Trade	30. Administrative and Institutional Provisions
9. Sanitary and Phytosanitary Measures	20. Intellectual Property	31. Dispute Settlement
10. Trade Remedies	21. Competition Policy	32. Exceptions and General Provisions
11. Technical Barriers to Trade	22. State-Owned Enterprises	33. Macroeconomic Policies
		34. Final Provisions



New Chapters



Modernized Chapters

LOOKING AHEAD

AN AGREEMENT FOR THE 21ST CENTURY



USMCA strengthens North America to successfully compete in the global economy

COMPETITIVE *for North America*

MODERNIZED *for the 21st century*

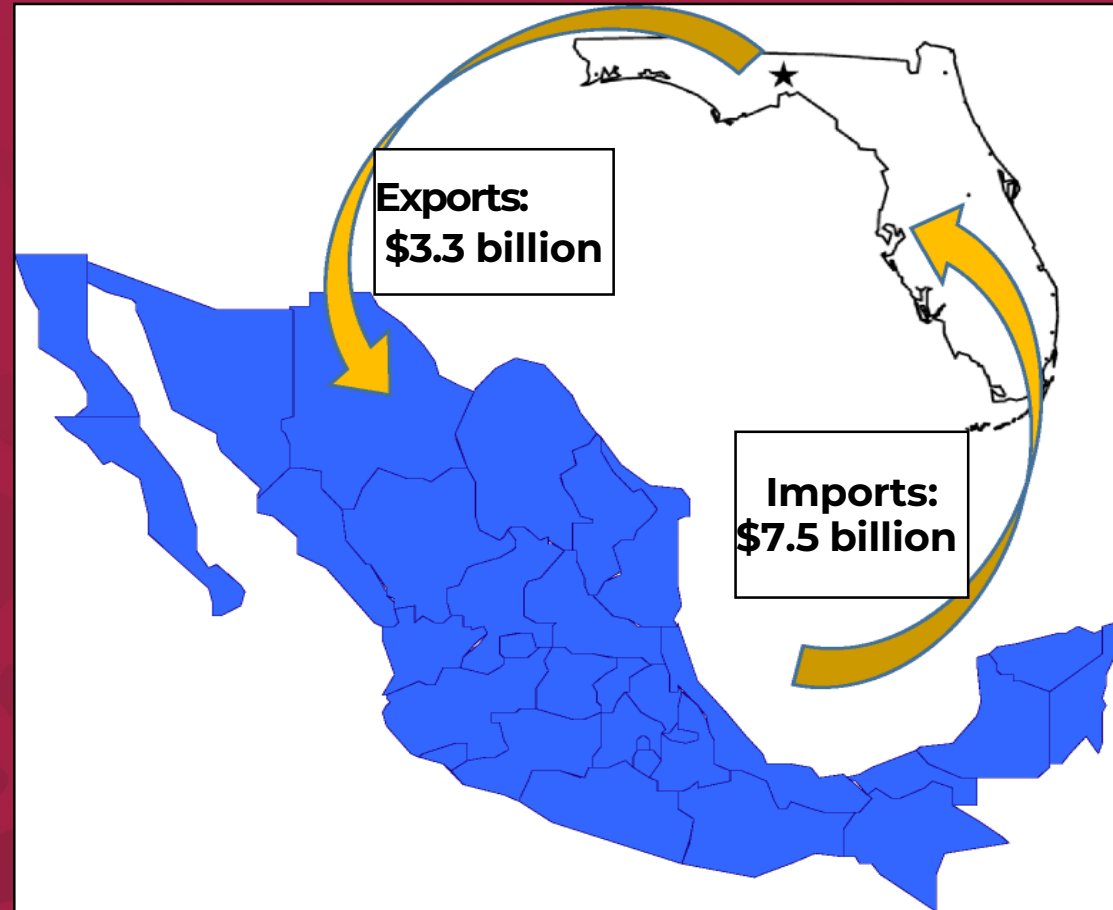
RESPONSIBLE *for enforcing agreements*

CERTAINTY *for the future of free trade*

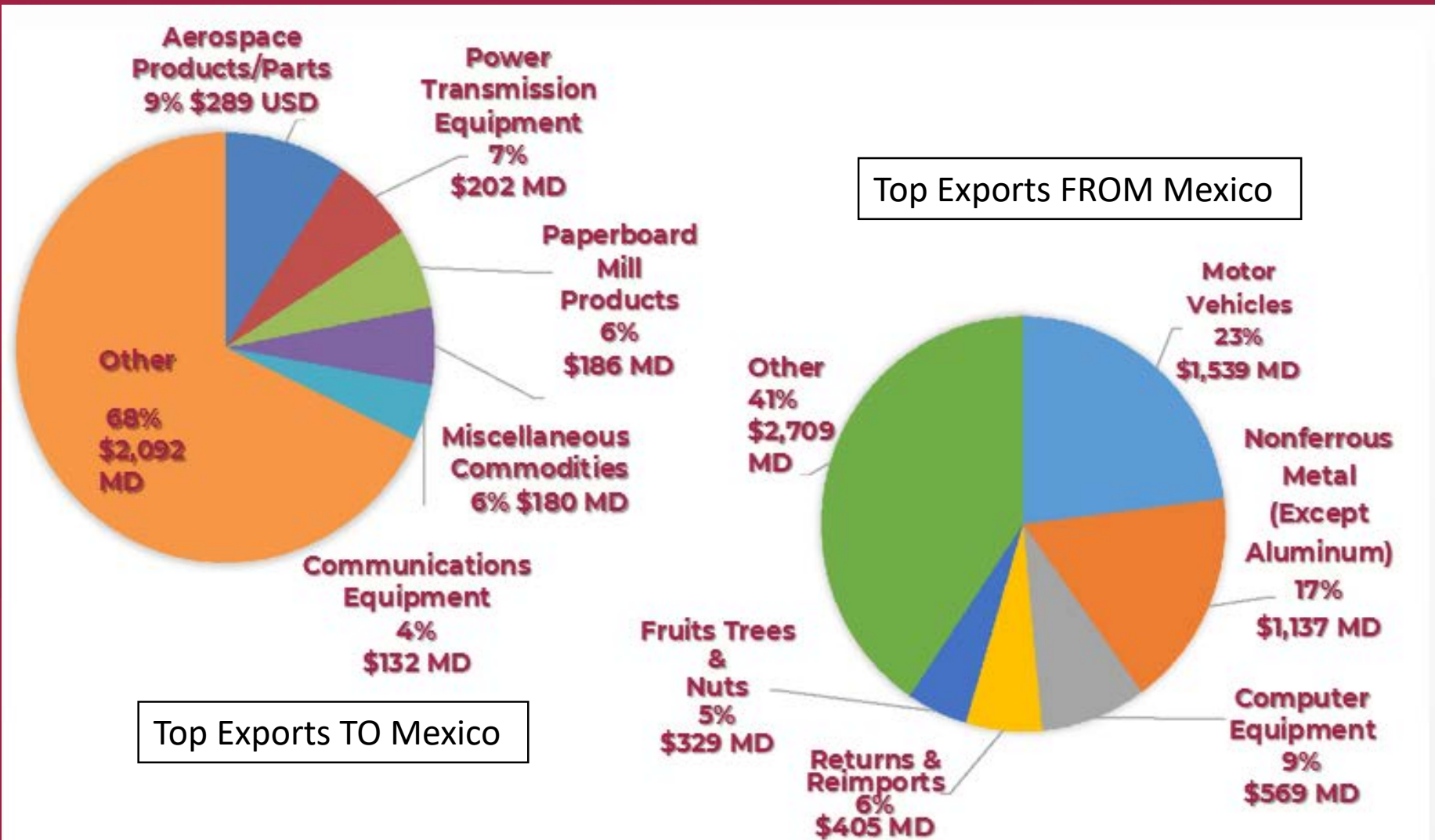


TRADE RELATIONS

In 2018, trade between Florida and Mexico surpassed \$10.8 billion
Mexico is Florida's 3rd largest export market, up from 7th in 1993



TOP INDUSTRIES



MEXICAN SOUTH-EAST REGION & FLORIDA

Corredores Intermodales de Cabotaje y Transporte Marítimo de Corta Distancia (TMCD)



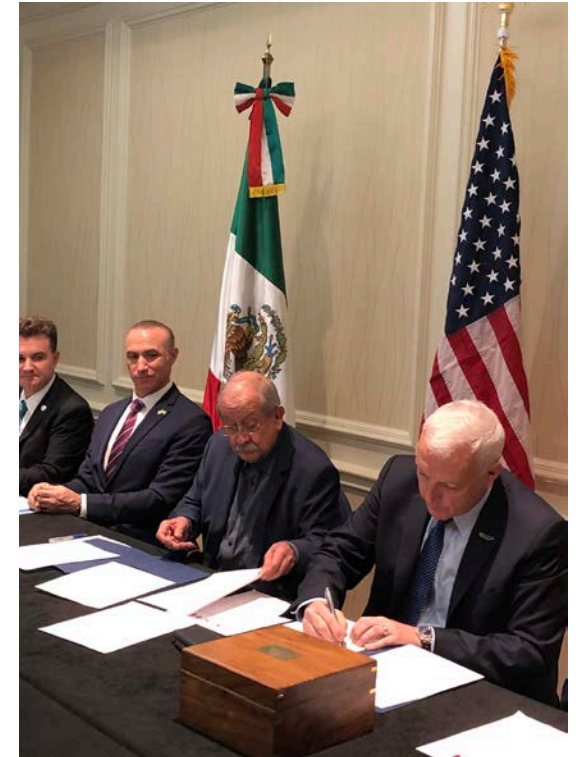
A NATURAL BORDER...

July 2019: In order to strengthen bilateral cooperation Florida Representatives visited Mexico City



November 20th 2019: Florida Ports Council & the Coordination of Ports & Maritime Commerce of Mexico signed a **Letter of Intent** to develop mutually beneficial activities to further:

- Develop their maritime ports; export promotion; international commerce.
- Identify opportunities and challenges to enhance the flow of commerce between Mexico and Florida
- Create a working group which both parties are agree identify issues, opportunities and challenges to enhance the flow of international commerce between Mexico and Florida



THANK YOU
FOR YOUR ATTENTION

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