



10.3.2022

MISSION REPORT

following the INTA mission to Mexico City, Mexico, from 21 to 25 February 2022

Committee on International Trade

Members of the mission:

Bernd Lange	(S&D) (Leader of the mission)
Kathleen Van Brempt	(S&D)
Jordi Cañas	(Renew)
Marco Campomenosi	(ID)
Enikő Győri	(NI)

Introduction

A five-Member delegation of the INTA Committee visited Mexico from 21 to 25 February 2022 in order to assess the state of play of the modernisation of the trade part of the Economic Partnership, Political Coordination and Cooperation Agreement (Global Agreement), in view of the Committee's future work on the consent procedure. The discussions focussed on the prospects for the agreement's ratification, including the question of the agreement's architecture. The planned reform of the Mexican energy sector also featured prominently in the discussions, as did labour rights and the human rights situation in Mexico.

The delegation held meetings with high-level representatives of the Mexican government, including the Vice-Minister for Trade, Luz María de la Mora Sánchez, the Vice-Minister for Foreign Affairs, Carmen Moreno Toscano, and the Minister of Labour and Social Welfare, Luisa Alcalde Luján. The delegation also met with high-level representatives of both houses of the Mexican Congress, including Senate President Olga Sánchez Cordero, the leader of the government bench in the Senate, Ricardo Monreal, and nine Senate committee chairs, as well as six committee chairs in the House of Representatives. In addition, INTA Members met with Mexican and European business representatives, trade unions, non-governmental organisations and other civil society representatives.

The visit was overshadowed by the onset of the Russian attack on Ukraine. The dramatic events in Ukraine demonstrated once more the need to secure a strong web of alliances with like-minded democracies in order to protect the rules-based global system. The EU has a strong strategic interest in building stronger ties with Mexico and other Latin American countries.

Main issues

EU-Mexico trade relations and the modernisation of the Global Agreement

Mexico is a key partner for the EU. The first cooperation agreement between the European Economic Community and Mexico was signed in 1975. The Global Agreement was signed in 1997 and entered into force in October 2000. It was the first partnership agreement the EU signed with a Latin America country. Links with Mexico were further strengthened with the Strategic Partnership in 2008. Mexico remains the only country that has both a Strategic Partnership and an advanced cooperation and free trade agreement with the EU.

Mexico is the EU's 12th biggest trading partner, the second biggest in Latin America after Brazil. Conversely, the EU is Mexico's third largest trading partner and the second biggest investor. Bilateral economic relations are governed by the trade part of the Global Agreement, which has yielded very positive results for both parties. Bilateral trade in goods has more than tripled since the agreement came into force. Trade in services between the EU and Mexico has also expanded significantly.

However, the Global Agreement of 2000 did not address some of the new trade and investment issues, such as investment protection, government procurement, competition, and trade and sustainable development provisions, which are highly relevant today in the EU's relations with third countries. Therefore, Mexico and the EU decided to update the Global Agreement. The negotiations on the modernisation of the agreement started in 2016. An agreement in principle

on the trade part was reached in April 2018, and the negotiations were concluded in April 2020 with an agreement on the last outstanding issue, the scope of the reciprocal opening of public procurement markets. Since then, Mexico and the EU have been engaged in technical work to finalise the texts and prepare the agreement's ratification.

Throughout the visit of the INTA ad hoc delegation to Mexico, both the participating MEPs and the Mexican interlocutors stressed the significance of the EU-Mexico Global Agreement as the cornerstone of EU-Mexico relations and agreed on the need for modernising it. It was highlighted that the modernised Global Agreement goes beyond mere tariff reductions and includes many other elements that will strengthen the cooperation between Mexico and the EU in areas of common interest, such as the environment, security, organised crime, anti-corruption and human rights.

The question of the future architecture of the modernised Global Agreement featured prominently in many meetings. In light of the European Court of Justice's 2017 ruling on the EU-Singapore agreement, which clarified the division of competences between the EU and the Member States in EU trade and investment agreements, the Commission and the European External Action Service in June 2021 submitted a proposal to the Mexican government to divide the new agreement into a political and cooperation agreement, a trade agreement, and an investment protection agreement. Each of these agreements would follow their corresponding procedures for signature and ratification in the EU. As a so-called "EU-only" agreement, the trade agreement would only require ratification by the Council upon the EP's consent, whereas the other two agreements would also need to be ratified by each Member State individually.

Many Mexican interlocutors enquired about the reasons for the proposed split, some of them expressing concerns that it might lead to a change in substance and consequently a re-opening of the agreement. In addition, the EU's position on the architecture is perceived to be ambiguous. The INTA delegation explained the rationale behind the Commission's proposal, both in terms of EU constitutional considerations and of greater legal certainty and speed of the ratification process, especially of the trade agreement. Both sides concurred that there is a palpable impatience over the lack of progress on the ratification of the agreement (almost 2 years after the negotiations were concluded) and that the ratification should be finalised within the next two years, before the start of the campaign cycle in Mexico and in the EU.

Energy reform

The Mexican government's plans for a reform of the energy sector were also discussed intensively during the visit of the INTA delegation. The current Mexican government under President Andrés Manuel López Obrador has sought to reverse the liberalisation of the energy sector advanced by the previous administration, aiming mainly at restoring greater state control over the electricity sector via the state-owned Federal Electricity Commission (CFE). As previous attempts to reform the sector via executive orders and legislation were held up in courts, the government proposed a constitutional reform in September 2021. The reform would grant the CFE a minimum market share of 54% and allow for most generation permits previously awarded to private companies to be cancelled. The existing independent market regulators would disappear and be integrated into the Ministry of Energy. In addition, the Clean Energy Certificates, which have so far provided incentives for the production of renewable energies, would disappear.

The constitutional reform is currently being discussed in the Mexican Congress. The prospects for its adoption seem unclear. Government and parliamentary representatives stressed that discussions on the reform are ongoing and that Mexico will honour its international commitments. Even though the reform might not be adopted as proposed, several stakeholders stressed that a chilling effect on investments in the renewable energy sector can already be observed.

Members expressed their concerns about the Mexican government's reform plans. While recognising the Mexican government's right to regulate, they insisted that this should be done in a way that is compatible with Mexico's climate commitments and that protects the rights of investors, including European ones.

Situation of workers and labour rights

The delegation held several meetings focused on the situation of workers in Mexico and the role of trade policy in advancing workers' rights. The Mexican government explained its recent labour law reform, which aims at democratising unions, strengthening collective bargaining and establishing an independent labour justice system. The reform was at least partially prompted by international commitments under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and United States-Mexico-Canada Agreement (USMCA), demonstrating the potential of trade policy for bringing concrete improvements to people on the ground. Union representatives by and large welcomed the labour law reform, while pointing to some shortcomings in its implementation (e.g., the slow pace of the registration of labour contracts). The Mexican government has also increased the minimum wage during four consecutive years, resulting in an overall increase of 60 percent. Mexico has signed and ratified all core conventions of the International Labour Organisation and is committed to ratify additional ones. The modernised Global Agreement includes commitments on international labour standards and an enhanced role for civil society, including unions, in the monitoring of the agreement.

Human rights and civil society

The delegation also addressed the precarious human rights situation in Mexico, including the increasing number of killings of journalists, and the shrinking space for civil society in recent years. Civil society representatives urged the EU and the European Parliament to continue speaking out about human rights violations in Mexico. It was also noted that the modernised Global Agreement will provide opportunities to enhance cooperation on human rights matters.

Conclusions and follow-up

The ad hoc delegation was of great value for the INTA Committee's future work on the consent procedure for the trade part of the modernised Global Agreement. It allowed Members to get first-hand information on the state of EU-Mexico trade relations and the prospects of the modernisation of the Global Agreement. It enabled the delegation to understand better the different perspectives and concerns, and to clarify matters in direct personal interaction.

The strong message of support for a prompt ratification of the modernised agreement was welcomed by the Mexican counterparts. There is a window of opportunity of roughly two years for the ratification of the modernised agreement, which should be used in order to make sure that the agreement can enter into force without further delay. The modernised agreement is crucial for further enhancing EU-Mexico trade and political relations and strengthening the strategic partnership with a key partner in Latin America.

The INTA delegation received considerable press coverage in Mexico. Most major newspapers, TV and radio channels attended the press conference on the final day and there were a large number of media reports on the INTA delegation, both during and after the visit.

INTA and its Monitoring Group on Mexico will continue to scrutinise the modernisation of the trade part of the EU-Mexico Global Agreement in view of the future consent procedure, as well as any other relevant developments in EU-Mexico trade and economic relations, including the energy and labour reforms.

Annex: Final programme

EP press release ahead of the delegation visit



Delegation of the European Parliament Committee on International Trade (INTA)

Visit to Mexico City (Mexico)
22-24 February 2022

Programme

Tuesday, 22 February 2022

08:00 – 08:30	Transfer to the premises of the European Union Delegation to Mexico (EUDEL)
08:30 – 09:15	Welcome briefing with Ambassador Gautier MIGNOT, Head of EU Delegation to Mexico
09:15 – 10:15	Working coffee with Heads of Missions of Embassies of EU MS in Mexico
10:15 – 11:00	Transfer to Senate

11:00 – 13:45	<p>Senate: Meeting with Presidents of relevant Commissions</p> <ol style="list-style-type: none"> 1. Senator Ricardo Monreal, President of the Political Coordination Board. 2. Senator Orga Sanchez Cordero, President of the Senate of the Republic. 3. Senator Hector Vasconcelos, President of Foreign Affairs Commission. 4. Senator Olga Benavides Cabos, President of the Europe Foreign Affairs Commission. 5. Senator Abreu Artiano, President of the Energy Commission. 6. Senator Claudia Ruiz Massieu, President of the Special Commission for monitoring the implementation of the USMCA. 7. Senator Ricardo Velazquez Meza, Co-chairman of the Mexico-European Union Joint Parliamentary Commission. 8. Ovidio Salvador Peralta Suarez, President of the Youth and Sport Commission. 9. Alejandro Armenta Mier, President of the Finances and Public Credit Commission 10. Eduardo Ramirez Aguilar, President of the Constitutional Affairs Commission. 11. Cecilia Margarita Sanchez Garcia, President of the Legal Affairs Commission.
13:30 – 14:00	Transfer to Hotel
14:00 – 15:00	Free lunch time
15:00 – 16:30	Meeting with EUROCAM and representatives of a selected group European enterprises present in Mexico
18:00 – 19:30	<p>Meeting with Mexican Industry Associations:</p> <ul style="list-style-type: none"> • CONCAMIN (Confederación de Cámaras Industriales de Mexico) • COMCE (Consejo Mexicano de Comercio Exterior) • CCE (Consejo Coordinador Empresarial) • CNA (Consejo Nacional Agropecuario)

Wednesday, 23 February 2022

08:00 – 09:00	Meeting with civil society and think tanks
09:00 – 09:45	Transfer to Ministry of Foreign Affairs
10:00 - 11:15	Meeting with Carmen Moreno Toscano, Vice-Minister of Foreign Affairs
11:30 – 12:15	Transfer to Ministry of Economy
12:30 – 13:45	Meeting with Luz María de la Mora Sánchez, Vice-Minister of Economy
14:00 – 15:00	Transfer
15:00 - 16:00	Visit to the National Palace
16:00– 17:00	Transfer to Chamber of Deputies
17:00-18:30	Meeting with Members of the Chamber of Deputies: <ol style="list-style-type: none">1. Alfredo Femat Bañuelos. President of the Committee on Foreign Relations. (PT)2. Yeidckol Polevnsky Gurwitz (MORENA). Economy, Trade and Competitiveness (Secretariat); Constitutional Points; Foreign Relations (Secretariat).3. Idelfonso Guajardo Villarreal. (PRI). Economy, Trade and Competitiveness (Secretary); Treasury and Public Credit; External relationships.4. Amalia Dolores Garcia Medina. (MC). Welfare (Secretary); Foreign Relations (Secretariat); Transparency and Anticorruption; Deans Committee; Ethics.5. Blanca María del Socorro Alcalá Ruiz (PRI). Treasury and Public Credit; Budget and Public Account (Secretariat); Transparency and Anticorruption (Secretariat); Bichamber of Financial Discipline of the Federal Entities and Municipalities (President).6. Nelly Minerva Carrasco Godínez. President of the Human Rights Commission. (MORENA).7. Jorge Ernesto Inzunza Armas, President of the Economy, Trade and Competitiveness Commission. (PAN).8. Manuel Rodríguez González, President of the Energy Commission. (MORENA).9. Karen Castejón Trujillo, President of the Environment and Natural Resources Commission. (PVEM).10. Edna Gisel Diaz Acevedo. President of the Climate Change and Sustainability Commission. (PRD).
18:30-19:30	Transfer to Residence of the EU Ambassador
19:30-21:30	Informal dinner with a selected Members of the Senate and Chamber of Deputies

21:30-22:00	Transfer to Hotel
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Thursday, 24 February 2022

08:00-09:15	Meeting with representatives of Mexican Trade Unions
09:30-10:45	Roundtable discussion on the energy sector in Mexico and the Constitutional reform proposal
11:45-12:30	Transfer to Ministry of Labour (Secretaría de Trabajo)
12:30-13:45	Meeting with Luisa Alcalde Luján, Minister of Labour and Social Welfare
13:45-14:15	Transfer to Hotel
14:15 - 15:00	Free lunch time
15:00 – 16:15	Press conference INTA Chair
16:30 – 17:45	Transfer of the EP Delegation to Mexico City International Airport

Trade MEPs in Mexico to discuss EU-Mexico trade and pending trade agreement

Press Releases



18-02-2022 - 11:00

A delegation of trade MEPs will hold talks in Mexico on the prospects of the modernised EU-Mexico Agreement and other issues on the bilateral economic and trade agenda.

Between 22 and 24 February, the six-member delegation of the [Committee on International Trade \(INTA\)](#) will meet representatives of the Mexican Congress and government, industry bodies, European companies present in Mexico, trade unions and civil society.

They aim to get first-hand information on the current status of the modernisation of a comprehensive agreement (Global Agreement) between the EU and Mexico and the prospects for its ratification.

The MEPs are also interested in Mexico's trade relations with its neighbours on the continent, in particular what the recent US-Mexico-Canada trade agreement means for EU-Mexico trade relations.

Finally, MEPs plan to explore a range of other issues connected to EU-Mexico trade relations, such as the human rights situation, workers' rights and the Mexican government's plans for a constitutional reform of the electricity sector.

“The visit of the delegation takes place at a critical moment. While the negotiations on the new agreement were concluded in 2020, little progress has been made since. The EU needs this agreement, especially in a context where we see an increase of protectionism, an increasingly inward-looking focus of many of our trade partners and a weaponisation of trade. The modernised agreement can help to stabilise the rules-based trading system,” said [Bernd Lange](#) (S&D, DE), the head of the delegation and chair of the trade committee prior to the visit.

“This visit shows the importance the Parliament gives to the strengthening of relations between Mexico and the EU. The modernisation of the trade agreement is crucial because it will mean that 99% of the products traded between the EU and Mexico will be tariff-free, while 98% of products will be duty free from the moment the agreement enters into force. The agreement is also key because it has a specific chapter on sustainable development, which includes the fight against corruption and the standardisation of labour,

social and environmental rights. Trade must be conducted fairly and in the right circumstances to generate prosperity and sustainable and sustained development,” said [Inmaculada Rodríguez-Piñero](#) (S&D, ES), the standing rapporteur for Mexico.

The members of the delegation are:

Bernd Lange, head of the delegation, chair of the committee

Inmaculada Rodríguez-Piñero Fernández, INTA standing rapporteur for Mexico

[Kathleen Van Brempt](#) (S&D, BE)

[Jordi Cañas](#) (Renew Europe, ES)

[Marco Campomenosi](#) (ID, IT)

[Enikő Győri](#) (NI, HU)

Background

In 2020, the European Union and Mexico concluded negotiations on the trade pillar that updates their Global Agreement of 1997. The trade and investment pillars are part of a broader, modernised political framework strengthening the strategic partnership, reinforcing the political dialogue and deepening cooperation on issues of mutual interest. Before coming in front of the Parliament for its consent, the agreement has to be signed by the Council and Mexico.

The Trade Committee has been following the negotiations closely, in particular on agricultural market access and trade and sustainable development. A delegation of trade MEPs visited Mexico [in 2018](#).