



# Coronavirus Final update



Country: Mexico  
# 15 | March 31, 2021



European Union



## HEALTH SITUATION

The purpose of this bulletin is to analyse the **impact of COVID-19 on EU-Mexico trade and investments during 2020.**

The first COVID-19 case in Mexico was reported on February 27, 2020. As of March 31, 2021, Mexico confirmed 2.227.842 cases of infection and 201.826 deaths. The most affected states in Mexico include Mexico City, State of Mexico, Guanajuato, Nuevo León, and Jalisco. The vaccination process, already started, is currently focused on people 60 years old and above. After this age group, people between 50 and 59 years old will be vaccinated during April-May 2021, people 40-49 years old will be vaccinated during May-June 2021, and the rest of the population will be vaccinated from June 2021 onwards.

(source: <https://coronavirus.gob.mx/vacunacion-covid/>)

Mexico adopted a four-colour “traffic light” risk system. On March 31, there were 0 states classified as red, 7 states as orange, 18 as yellow and 7 as green. Red means that all non-essential activities must remain closed with the highest social distancing measures. Orange means that besides essential activities, business engaging in non-essential activities can work with up to 30% of their staff, and outdoor public spaces are open with limited capacity. Yellow means that all economic activities are allowed, outdoor public spaces are fully open, and enclosed public spaces can open with limited capacity.



■ MAXIMUM - 0  
■ HIGH - 7  
■ MEDIUM - 18  
■ NORMAL - 7

Source: <https://datos.covid-19.conacyt.mx/>



## MACROECONOMIC CONTEXT

### MEXICAN STOCK MARKET (NATIONAL PRICE INDEX) IN THE PERIOD 2019 – 2020 (DAILY)

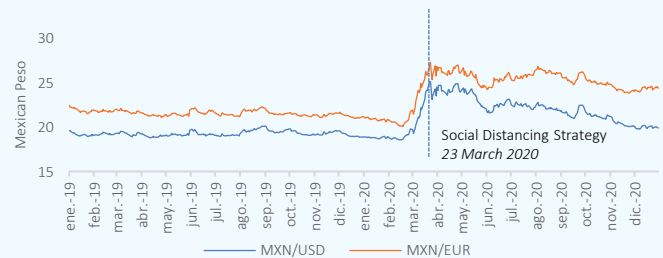
Source: Bank of Mexico and Bloomberg



**Growth Rate from the beginning of the Social Distancing Strategy until 31/12/2020:** 33,68%  
**Index Point Value Change Since the Beginning of Social Distancing Strategy until 31/12/2020:** 11.102,66  
**Index Point Value at 31/12/2020:** 44.066,88  
**Average Point Value During 2020:** -0,83%

### EXCHANGE RATE EVOLUTION MXN – USD & MXN - EUR IN THE PERIOD 2019 – 2020 (MONTHLY)

Source: Bank of Mexico



**MXN/EUR Average Exchange Rate in January - December 2020:** 24,52 MXN  
**MXN/EUR Annual Change 2019 - 2020:** 13,8%  
**MXN/EUR Average Exchange Rate in December 2020:** 24,29 MXN  
**MXN/USD Average Exchange Rate in January - December 2020:** 21,50 MXN  
**MXN/USD Change First Semester 2019 - 2020:** 11,6%  
**MXN/USD Average Exchange Rate in December 2020:** 19,97 MXN

### OTHER MACROECONOMIC INDICATORS

Source: Bank of Mexico  
and INEGI



**Oil Price (Average  
2020):**  
36,81 USD per barrel



**Underemployment  
(Fourth Quarter):**  
15,3%



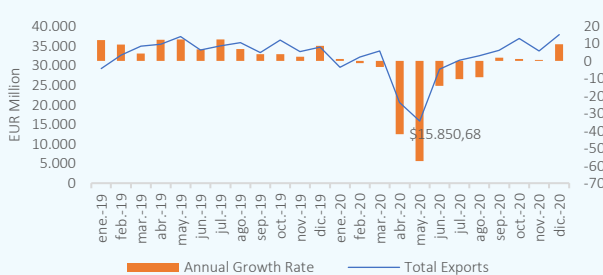
**Inflation  
(December 2020):**  
3,15%



**Gross Domestic Product  
(2020 Change):**  
-8,5%

### GENERAL EXPORTS IN THE PERIOD 2019 – 2020 (MONTHLY)

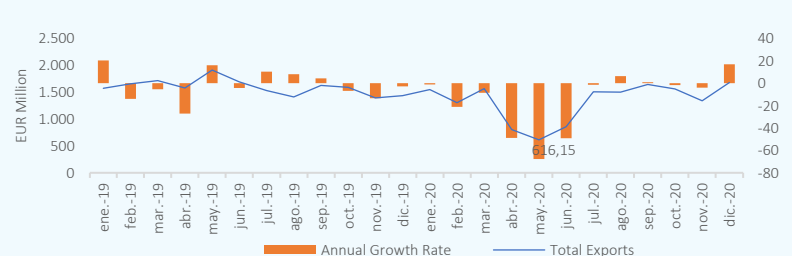
Source: Bank of Mexico and INEGI



According to the Bank of Mexico, the drop in Mexico's total exports during 2020, compared to 2019, was 10,93%, with an overall value of EUR 366.377 million. The sharpest drop occurred in May 2020, when exports fell by 57,48% compared to May 2019, worth EUR 15.850 million in that month. From May to December 2020 total exports started recovering; with a compound growth rate of 13,24%. However, when comparing this last period to its 2019 equivalent, the cumulative value decreased 10,31%, worth EUR 250.670 million in 2020.

### MEXICAN EXPORTS TO THE EU IN THE PERIOD 2019 – 2020 (MONTHLY)

Source: Bank of Mexico and INEGI



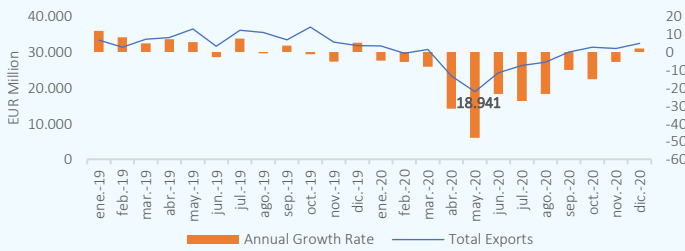
According to the Bank of Mexico, **Mexican exports to the European Union** declined by 16,7% during 2020, compared to 2019, which represented a EUR 15.917 million drop in value. The sharpest drop in Mexican exports to the EU was recorded in May 2020 at 67,84%, compared to May 2019, which represents a trade value of EUR 616 million. There was a moderate recovery trend from May to December 2020 with a compound growth rate of 15,37% during this last period of the year, giving a cumulative value of 10.696 million. However, this cumulative figure was 15,09% lower than the value for the same period of 2019. When broken down by sectors, (SIAVI data) the main Mexican exports to the EU were (Chapter 87) auto-related with a 35,86% share (EUR 5.048 million), which fell 12,71%, followed by machinery (Chapter 84) with a 15,82% share (EUR 2.227 million), which fell 3,47%, electric and electronic equipment (Chapter 85) with a 14,65% share (EUR 2,061 million) with a decrease of 9,22%, and agricultural exports (Chapters 01-24) with a 7,21% share (EUR 1,015 million), which saw a 6,85% decrease.



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### GENERAL IMPORTS IN THE PERIOD 2019 – 2020 (MONTHLY)

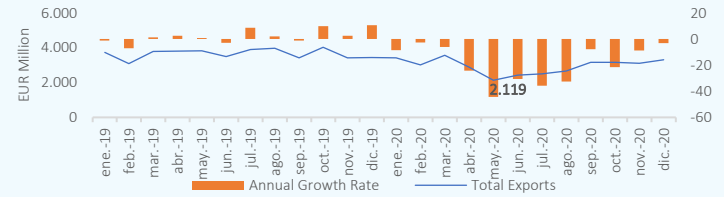
Source: Bank of Mexico and INEGI



According to the Bank of Mexico, general imports fell 17,3% in 2020 compared to 2019, and were worth EUR 333.135 million in cumulative value. The sharpest drop occurred in May 2020 with a decrease of 47,99% compared to May 2019, for a value of EUR 18.941 million. There was a recovery trend from May to December 2020 period at a compound growth rate of 7,95%. However, in comparison to the same period of 2019, the shortfall was 19,5%, worth EUR 220.984 million. In general terms, total imports are recovering to pre-COVID-19 levels at a slower rate than total exports.

### EU EXPORTS TO MEXICO THE PERIOD 2019 – 2020 (MONTHLY)

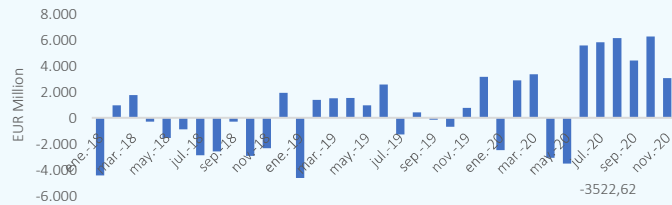
Source: Bank of Mexico and INEGI



According to the Bank of Mexico, total EU exports to Mexico in 2020 decreased by 19,6% compared to 2019, and were worth EUR 35.170 million in cumulative trade value. The sharpest drop occurred in May 2020 with a decrease of 44,44%, equivalent to EUR 2.119 million. The period from May to December 2020 saw a compound monthly growth rate of recovery in EU exports to Mexico of 6,54%. However, in comparison to the same period of 2019, the shortfall was 23,89%, equivalent to 22.358 million. When broken down by sectors, the EU's main exports to Mexico were machinery (Chapter 84) with a 21,57% share (EUR 7.122 million), which fell 17,93%, followed by electric and electronic equipment (Chapter 85) with a 13,66% share (EUR 4.510 million), which fell 12,55%, auto-related (Chapter 87) with a 9,22% share (EUR 3.044 million) with a decrease of 31,68%, and agricultural exports (Chapters 01-24) with a 3,63% share (EUR 1,198 million), which saw a 12,75% decrease.

### BALANCE OF PAYMENTS IN THE PERIOD 2018 – 2020 (MONTHLY)

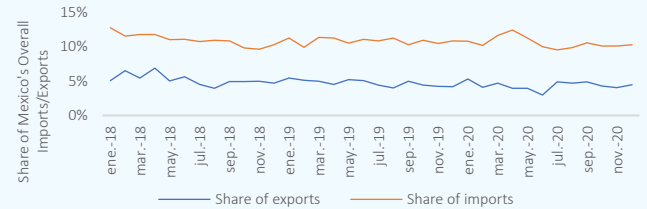
Source: Bank of Mexico and INEGI



According to the National Institute of Statistics, Geography and Informatics (INEGI) the accumulated Balance of Payments during 2020 was positive at EUR 34.476 million. The only months that recorded negative balances were January with EUR -2.481 million, April with EUR -3.087 million and May with EUR -3.522 million. From its lowest point in May 2020, the Balance of Payments recorded seven consecutive months of surpluses, all of them among the highest levels recorded since 1993. The highest figure was reached in December 2020 with a surplus worth EUR 6.261 million, which is the highest value for a single month since 1993.

### TRADE MARKET SHARE MEXICO – EUROPEAN UNION IN THE PERIOD 2019 – 2020

Source: Bank of Mexico and INEGI



According to the Bank of Mexico, Mexican exports to the European Union represented 4,34% of Mexico's total exports for 2020. This figure shows a decreasing trend from the 4,65% and 5,15% share in the same period of 2019 and 2018, respectively. Imports from the EU represented 10,46% of total Mexican imports during 2020. Mexican imports from the European Union recorded a downward trend from the share reported in 2019 (10,76%) and 2018 (10,91%).



## FOREIGN DIRECT INVESTMENT

### FOREIGN DIRECT INVESTMENT BY EU MEMBER STATES INTO MEXICO FOR THE PERIOD 2019 – 2020 (EUR MILLION)

Source: Ministry of Economy

Rank	Country	2019	2020	Change Rate 2019-2020	Cumulative Total
1	Spain	3.627,70	3.507,68	-3,3%	7.135,38
2	Germany	3.076,53	898,36	-70,8%	3.974,88
3	Netherlands	812,42	715,53	-11,9%	1.527,96
4	Italy	1.339,12	597,87	-55,4%	1.936,99
5	Belgium	1.223,78	268,49	-78,1%	1.492,27
6	France	925,41	245,81	-73,4%	1.171,23
7	Sweden	74,27	218,14	193,7%	292,42
8	Denmark	169,73	94,65	-44,2%	264,38
9	Austria	155,09	32,30	-79,2%	187,39
10	Luxembourg	12,92	13,57	5,0%	26,49
11	Poland	0,53	12,77	2286,2%	13,30
12	Ireland	45,27	-8,56	-118,9%	36,71
13	Portugal	23,48	-10,03	-142,7%	13,45
14	Finland	64,04	-30,69	-147,9%	33,35
15	Czech Republic	0,10	0,00	NA	0,1
<b>Total</b>		<b>11.550,40</b>	<b>6.555,90</b>	<b>-43,2%</b>	<b>18.106,30</b>

- The Ministry of Economy reported that Foreign Direct Investment (FDI) from the EU totalled EUR 6.555 million during 2020, which represents a drop of 43,2% compared to 2019. The main share of this fall was driven by the COVID-19 pandemic, though this figure reinforces the negative trend in FDI inflows from the European Union, which fell 8,5% in 2019.
- During 2020, which witnessed the most severe outbreaks of COVID-19, the top three countries that increased their FDI flows to Mexico in annual terms were Poland (2,286%), Sweden (193,7%) and Luxembourg (5%). On the other hand, the countries that experienced the most important decreases were Finland (-147,9%), Portugal (-142,7%) and Ireland (-118,9%). Among the top three trade partners by FDI flows to Mexico in 2020, Spain decreased -3,3% (EUR 3.507 million), Germany fell -70,8% (EUR 898 million) and Netherlands decreased -11.9% (715 million).

### FOREIGN DIRECT INVESTMENT FROM KEY PARTNERS INTO MEXICO IN 2020 (EUR MILLION)

Source: Ministry of Economy

Rank	Country	2020	Percentage over total FDI
<b>Total Overall</b>	World	25.508,27	100%
1	United States of America	9.961,27	39,05%
2	European Union	6.555,9	25,70%
3	Canada	3.705,48	14,53%
4	Japan	1.068,91	4,19%
5	United Kingdom	823,66	3,23%
<b>Top 3 Total</b>		<b>20.222,65</b>	<b>79,28%</b>

### FOREIGN DIRECT INVESTMENT DURING 2020 (TOP 5 ECONOMIC SECTORS, EUR MILLION)

Source: Ministry of Economy

Economic Sector (NAICS 2 digits)	2020	Percentage over total FDI
52 Finance and Insurance	2.968,86	45,29%
31-33 Manufacturing	2.211,67	33,74%
51 Information (mass media and telecom)	423,68	6,46%
43 Wholesale Trade	365,09	5,57%
72 Accommodation and Food Services	184,74	2,82%
<b>Total Foreign Direct Investment</b>	<b>6.154</b>	<b>93,87%</b>

- The Ministry of Economy reported that the top three sectors that contributed the most to Foreign Direct Investment during 2020 were Finance and Insurance, with EUR 2.968 million, followed by Manufacturing, at EUR 2.211 million, and in third place Information, with EUR 423 million. The top five economic sectors represent 93,87% of the total FDI inflows to Mexico.



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## SECTOR ANALYSIS

## AEROSPACE INDUSTRY



The value chain of the aerospace industry in Mexico includes a wide range of products, from aircrafts, helicopters, and engines to parts, components and assembly systems. The tariff lines selected within this sector are aligned to those selected by the Ministry of Economy. The tariff vector comprises 142 tariff lines at a HS8 digits level in several tariff chapters.

([https://www.gob.mx/cms/uploads/attachment/file/121180/Sector\\_Industria\\_Aeroespacial.pdf](https://www.gob.mx/cms/uploads/attachment/file/121180/Sector_Industria_Aeroespacial.pdf))

During 2020, Mexican aerospace industry imported over EUR 4.421 million. EU aerospace-related exports to Mexico totalled EUR 582.6 million, which represented 13,18% of Mexico's total imports within this sector.

In 2020, EU exports dropped by 50,98% compared to the same period of 2019. The market share of the top five aerospace industry exporters to Mexico in 2020 are: the United States of America (72,09%), the European Union (13,18%), the UK (3,51%), Japan (3,45%) and Canada (3,20%). These five zones make up 95,42% of all industry exports to Mexico.

EU exports to Mexico in that sector are highly concentrated in the top five HS8 digit tariff lines, which represented 97,83% of all EU exports in 2020. The most exported category was "Parts for the Assembly or Manufacture of Aircraft" (98060006) which represented 37,42% of all EU exports in this sector, worth EUR 218,04 million. In second place, "Goods Intended for the Repair or Maintenance of Aircrafts" (98060005) held a share of 24,24% of total EU exports with a value of EUR 141,24 million. In third position, "Parts of Turbo-jets or Turbo-propellers" (84119101) represented 18,72%, worth EUR 109,08 million, followed by "Turbojets of a Thrust Exceeding 25kN" (8411201) and "Parts of Turbo-jets, Turbo-propellers and other Gas Turbines" (84119999) with a share of 9,37% (EUR 54,57 million) and 8,07% (EUR 47,02 million), respectively.

Among the top-five HS8 digit tariff lines, "Parts of Turbo-jets or Turbo-propellers" reported the worst decline during 2020, compared to 2019, with a fall of 74,10%, followed by "Goods Intended for the Repair or Maintenance of Aircrafts" which reported a decrease of 52,75%, and in third place "Parts for the Assembly or Manufacture of Aircrafts" with a fall of 35,54%. Conversely, the export value of "Turbojets of a Thrust Exceeding 25kN" increased by 28,83%.

## AGRO-INDUSTRY



For this analysis we have used the first 24 chapters of the Mexican Customs Duty Code at eight digits (HS8 digits).

Mexico's global agro-industry imports for 2020 totalled EUR 22.922 million compared to EUR 24.631 million in 2019 (which entails a reduction of 6,94%). The USA accounted for 71,71% of

agroindustry imports in 2020, equivalent to a decrease of 5,28%. Canada was the second-largest partner with EUR 1.505 million, which accounted for 6,57% and an annual decrease of 3,93% compared to 2019 within this sector. **The EU is the third-largest source of agro-industrial products with EUR 1.198, accounted for 5,23% of the import share in 2020, which represented a decrease of 12,75% with regard to 2019.**

**MAIN AGRO-INDUSTRY PRODUCTS EXPORTED FROM THE EUROPEAN UNION TO MEXICO IN THE FIRST HALF OF 2020 (ALL COUNTRIES INCLUDED FOR EACH GOOD CATEGORY)**  
Source: Ministry of Economy

	DESCRIPTION	2019 in EUR			2020 in EUR			Growth Rate 2019 - 2020 (EU)	
		Imp from the EU	Global Imp	Market Share	Imp from the EU	Global Imp	Market Share	EU	GLOBAL
22042102	Wine, red, white and rosé, with no more than 14% of alcohol content	86.589.941,96	136.732.478,57	63,33%	76.879.242,11	119.367.111,40	64,41%	-11,21%	-12,70%
19011001	Children food formula for retail sale (up to 10% milk content)	56.997.318,75	61.132.447,32	93,24%	63.030.269,30	65.950.188,60	95,57%	10,58%	7,88%
15091099	Olive oils other than virgin olive oil	44.864.763,39	47.822.344,64	93,82%	53.071.863,16	55.362.864,91	95,86%	18,29%	15,77%
10039001	Barley (whole grain)	22.910.222,32	28.516.348,21	80,34%	50.976.964,91	71.100.147,37	71,70%	122,51%	149,33%
23099099	Diverse food preparations for animals	50.282.908,04	246.412.820,54	20,41%	50.376.167,54	236.283.944,74	21,32%	0,19%	-4,11%
21069099	Food preparations	39.641.349,11	504.407.316,07	7,86%	42.315.567,54	476.681.321,05	8,88%	6,75%	-5,50%
04069004	Cheese - Grana or Parmigiano-Reggiano and Other Type of Cheese	43.712.310,71	108.704.129,46	40,21%	32.835.138,60	99.531.943,86	32,99%	-24,88%	-8,44%
22082002	Brandy or Wainbrand with 37,5 alcoholic degrees or more	38.223.172,32	38.225.738,39	99,99%	27.298.818,42	27.312.029,82	99,95%	-28,58%	-28,55%
01012901	Race and Jump Horses	24.429.166,07	28.727.933,04	85,04%	25.263.821,05	29.226.964,04	86,44%	3,42%	1,74%
11081301	Potato starch	24.612.619,64	26.905.155,36	91,48%	22.160.016,67	24.038.328,07	92,19%	-9,96%	-10,66%
13023902	Carrageenin	18.359.629,46	46.310.472,32	39,64%	20.683.497,37	43.155.925,44	47,93%	12,66%	-6,81%
18050001	Cocoa powder without added sugar	18.312.418,75	37.717.050,89	48,55%	20.246.978,07	42.555.990,35	47,58%	10,56%	12,83%
06011004	Lilies bulbs	22.947.981,25	26.145.933,04	87,77%	19.911.991,23	21.784.290,35	91,41%	-13,23%	-16,68%
20057001	Olives	17.389.103,57	18.775.195,54	92,62%	19.212.165,79	20.451.483,33	93,94%	10,48%	8,93%
10019901	Common Wheat	227,68	983.324.792,86	0,00%	19.187.253,51	887.491.765,79	2,16%	8427242,72%	-9,75%

The evolution of these 15 main EU agro-industry products exported to Mexico in 2020 and 2019, ranked by trade value, is described as follows:

**1. Wine, red, white and rosé with no more than 14% of alcohol content.** Total exports of this product to Mexico declined 12,70% in 2020. EU exports of wine to Mexico declined 11,2% from 2019 to 2020. However, the EU market share has slightly improved from 63,33% to 64,41% in 2020. Chile and USA followed with a 24,95% and an 8,65% market share in 2020 respectively. Argentina is the only country whose wine exports to Mexico improved in 2020, with a 12,4% increase in 2020 compared to 2019.

Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	86.589.941,96	76.879.242,11	63,33%	64,41%	-11,21%
Chile	34.831.392,86	29.777.478,95	25,47%	24,95%	-14,51%
USA	12.217.325,89	10.329.668,42	8,94%	8,65%	-15,45%
Argentina	790.395,54	888.177,19	0,58%	0,74%	12,37%
Australia	858.950,89	716.099,12	0,63%	0,60%	-16,63%
Global Total	136.732.478,57	119.367.111,40	NA	NA	-12,70%

**2. Children food formula for retail sale.** Mexican imports of this product increased 7,88%. The EU has a clearly dominant position with a market share of 95,57% in 2020, and an increase of 10,6% in exports when compared to 2019. This increase is quite significant in a year when competitors, Argentina and USA reduced their exports to Mexico by 30,1% and 42,7% respectively.

Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	56.997.318,75	63.030.269,30	93,24%	95,57%	10,58%
Argentina	3.311.750,00	2.313.514,91	5,42%	3,51%	-30,14%
USA	687.254,46	394.610,53	1,12%	0,60%	-42,58%
New Zealand	87.582,14	124.079,82	0,14%	0,19%	41,67%
Chile	48.531,25	87.714,04	0,08%	0,13%	80,74%
Global Total	61.132.447,32	65.950.188,60	NA	NA	7,88%

**3. Olive oils other than virgin olive oil.** Mexican imports of this product increased by 15,77% and EU exports to Mexico increased by 18,29% in 2020 when compared to 2019. This is another product where the EU has a predominant market share, at 95,86% in 2020. USA is the second source of this product in Mexico but has only 2,58% of the market share, while other countries, such as Tunisia and Argentina have even smaller shares in this market.

Country	2019	2020	Market Share		Annual Change
			2019	2020	
EU	44.864.763,39	53.071.863,16	93,82%	95,86%	18,29%
USA	1.502.985,71	1.426.661,40	3,14%	2,58%	-5,08%
Tunisia	1.023.550,00	536.115,79	2,14%	0,97%	-47,62%
Argentina	146.588,39	166.220,18	0,31%	0,30%	13,39%
Chile	256.424,11	133.707,89	0,54%	0,24%	-47,86%
Global Total	47.822.344,64	55.362.864,91	NA	NA	15,77%

**4. Barley (whole grain).** There has been an extraordinary increase of 149,33% in Mexican imports of Barley in 2020. This same year the EU saw a huge increase of 122,5% in its exports of this product to Mexico, which has resulted in a market share of 71,70%. Canada and USA are the second- and third-largest source of this product in Mexico with a market share of 15,51% and 12,54% respectively in 2020.

Country	2019	2020	Market Share		Annual Change
			2019	2020	
EU	22.910.222,32	50.976.964,91	80,34%	71,70%	122,51%
Canada	0,00	11.028.331,58	0,00%	15,51%	NA
USA	5.606.124,11	8.913.010,53	19,66%	12,54%	158,99%
Australia	0,00	181.840,35	0,00%	0,26%	NA
Global Total	28.516.348,21	71.100.147,37	NA	NA	149,33%



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**5. Diverse food preparations for animals.** Mexican imports of this product declined -4,11% in 2020 (when compared to 2019). USA is the main source of Mexican imports of this product, with a market share in 2020 of 47,39%, followed by the EU with a market share of 21,32% and Canada with 12,31%. There was a slight increase in EU exports of 0,2% in 2020 when compared to 2019.

23099099 - Diverse food preparations for animals					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
USA	115.734.063,39	111.971.333,33	46,97%	47,39%	-3,25%
EU	50.282.908,04	50.376.167,54	20,41%	21,32%	0,19%
Canada	32.938.574,11	29.082.066,67	13,37%	12,31%	-11,71%
China	16.621.645,54	15.627.006,14	6,75%	6,61%	-5,98%
Brazil	5.304.018,75	6.221.860,53	2,15%	2,63%	17,30%
Global Total	246.412.820,54	236.283.944,74	NA	NA	-4,11%

**6. Food preparations.** Mexican imports of this product declined 5,50% in 2020. The main country of origin of Mexican imports of food preparations is USA with a 68,75% market share, followed by the EU with 8,88%. Imports from USA declined 16,5% while imports from the EU increased 6,7% in 2020 when compared to 2019. Imports from Guatemala had an extraordinary increase of 671,3% in the same period.

21069099 - Food preparations					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
USA	392.526.048,21	327.724.360,53	77,82%	68,75%	-16,51%
EU	39.641.349,11	42.315.567,54	7,86%	8,88%	6,75%
Guatemala	5.357.519,64	41.322.583,33	1,06%	8,67%	671,30%
Uruguay	33.789.300,00	28.767.912,28	6,70%	6,04%	-14,86%
China	6.422.222,32	6.938.066,67	1,27%	1,46%	8,03%
Global Total	504.407.316,07	476.681.321,05	NA	NA	-5,50%

**7. Cheese – Grana or Parmigiano - Reggiano and Other Type of Cheese (Danbo, Edam, Fontal, Fontina, Fynbo, Gouda, Havarti, Maribo, Samsøe, Esrom)** This is a traditional EU product, however imports from the EU declined by 24,88% during 2020, resulting in a market share of 33% in 2020. This is sharp decrease considering that Mexican imports declined only 8,44%. Close competitors are USA with 28,15% of market share and an increase of 28,7% in 2020 and Uruguay and Chile with markets shares of 15,19% and 14,37% respectively.

04069004 - Cheese -Grana or Parmigiano-Reggiano and Other Type of Cheese (Danbo, Edam, Fontal, Fontina, Fynbo, Gouda, Havarti, Maribo, Samsøe, Esrom)					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	43.712.310,71	32.835.138,60	40,21%	32,99%	-24,88%
USA	21.778.859,82	28.019.488,60	20,03%	28,15%	28,65%
Uruguay	15.353.739,29	15.118.492,98	14,12%	15,19%	-1,53%
Chile	14.239.229,46	14.305.080,70	13,10%	14,37%	0,46%
New Zealand	13.545.297,32	9.253.742,98	12,46%	9,30%	-31,68%
Global Total	108.704.129,46	99.531.943,86	NA	NA	-8,44%

**8. Brandy or Wainbrand.** The EU is almost the sole source of this product in Mexico with a market share in 2020 of 99,95% even if EU exports of this product to Mexico declined -28,58% this year. As the table shows, imports from other countries are irrelevant.

22082002 - Brandy or Wainbrand with 37,5 alcoholic degrees or more, aged for at least one year in oak containers or for at least six months in oak barrels with a capacity of less than 1,000 litres					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	38.223.172,32	27.298.818,42	99,99%	99,95%	-28,58%
UK	0,00	10.605,26	0,00%	0,04%	NA
USA	2.566,07	2.605,26	0,01%	0,01%	1,53%
Global Total	38.225.738,39	27.312.029,82	NA	NA	-28,55%

**9. Race & Jump Horses.** EU exports to Mexico had a slight increase of 3,4% during 2020, resulting in a market share of 86,44% of this product. Mexican imports of this product increased 1,74%. The closest competitor to the EU, is USA with a 12,29% market share; other countries providing this product such as Argentina, UK or Switzerland have small market shares.

01012901 - Race and Jump Horses					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	24.429.166,07	25.263.821,05	85,04%	86,44%	3,42%
USA	3.796.763,39	3.592.225,44	13,22%	12,29%	-5,39%
Argentina	415.708,04	259.385,09	1,45%	0,89%	-37,60%
UK	0,00	107.259,65	0,00%	0,37%	NA
Switzerland	22.265,18	4.272,81	0,08%	0,01%	-80,81%
Global Total	28.727.933,04	29.226.964,04	NA	NA	1,74%

**10. Potato Starch.** The EU has a dominant position in this market with a share of 92,19% in 2020, even though EU exports to Mexico of this product declined 9,96% this year, similarly to the general decline in 10,66% of Mexican imports of this product. USA has a 7,64% market share and is followed by countries with minority shares such as Japan, India or South Korea.

11081301 - Potato starch					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	24.612.619,64	22.160.016,67	91,48%	92,19%	-9,96%
USA	1.841.329,46	1.836.890,35	6,84%	7,64%	-0,24%
Japan	40.359,82	21.915,79	0,15%	0,09%	-45,70%
India	9.871,43	11.150,88	0,04%	0,05%	12,96%
South Korea	0,00	3.521,05	0,00%	0,01%	NA
Global Total	26.905.155,36	24.038.328,07	NA	NA	-10,66%

**11. Carrageenin<sup>1</sup> (also known as carrageenan).** EU exports of carrageenin to Mexico have increased 12,7% in 2020 when compared to 2019, resulting in a market share in 2020 of 47,93%. This is quite significant in a year where global Mexican imports of this product decreased 6,81%. Other relevant exporters of this product to Mexico are Chile and The Philippines which have a market share of 13,95% and 10,85% respectively in 2020. The USA and China have smaller shares, at 8,57% and 8,53% respectively.

13023902 - Carrageenin					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	18.359.629,46	20.683.497,37	39,64%	47,93%	12,66%
Chile	7.536.058,04	6.021.509,65	16,27%	13,95%	-20,10%
Philippines	6.613.917,86	4.682.615,79	14,28%	10,85%	-29,20%
USA	6.449.466,96	3.698.295,61	13,93%	8,57%	-42,66%
China	3.782.715,18	3.681.827,19	8,17%	8,53%	-2,67%
Global Total	46.310.472,32	43.155.925,44	NA	NA	-6,81%

**12. Cocoa powder without added sugar.** The three main exporters of this product to Mexico in 2020 are the EU, USA and Canada, with market shares of 47,58%, 22,14% and 13,61% respectively. EU exports increased during 2020 by 10,6% when compared to 2019. During the same period Mexican imports of this product increased 12,83%.

18050001 - Cocoa powder without added sugar					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	18.312.418,75	20.246.978,07	48,55%	47,58%	10,56%
USA	11.483.743,75	9.423.985,96	30,45%	22,14%	-17,94%
Canada	1.122.729,46	5.789.876,32	2,98%	13,61%	415,70%
Malaysia	1.952.460,71	3.351.119,30	5,18%	7,87%	71,64%
Indonesia	981.310,71	1.140.316,67	2,60%	2,68%	16,20%
Global Total	37.717.050,89	42.555.990,35	NA	NA	12,83%

**13. Lily bulbs.** Despite the decrease of exports to Mexico in 2020, the EU retains a predominant market position with a 91,41% market share. Main competitors are China and New Zealand with 5,08% and 3,51% market shares respectively. It is significant that while EU exports declined by 13,2%, its competitors saw decreases of 30,1% (China) and 52,6% (New Zealand).

06011004 - Lilies bulbs					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	22.947.981,25	19.911.991,23	87,77%	91,41%	-13,23%
Chile	1.583.660,71	1.107.225,44	6,06%	5,08%	-30,08%
New Zealand	1.614.291,07	765.073,68	6,17%	3,51%	-52,61%
Global Total	26.145.933,04	21.784.290,35	NA	NA	-16,68%

**14. Olives.** For this traditional EU product, the EU maintains its dominant position with a 93,94% market share in 2020. There was an increase of 10,5% in EU exports during 2020 when compared to 2019. Mexican imports of this product in the same period increased 8,93%. The USA has a market share of 4,79% followed by other countries (Peru, Morocco, Egypt) with minority market shares.

20057001 - Olives					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
EU	17.389.103,57	19.212.165,79	92,62%	93,94%	10,48%
USA	1.011.866,07	978.881,58	5,39%	4,79%	-3,26%
Peru	138.681,25	115.315,79	0,74%	0,56%	-16,85%
Morocco	80.106,25	93.414,91	0,43%	0,46%	16,61%
Egypt	81.658,04	40.929,82	0,43%	0,20%	-49,88%
Global Total	18.775.195,54	20.451.483,33	NA	NA	8,93%

**15. Common Wheat.** While Mexican imports of this product declined -9,75% in 2020, the EU saw an extraordinary increase of 8,427,242,7% in its exports to Mexico in the same period. This has resulted in a market share of 2,16% in 2020. The main exporter is the USA with a market share of 71,34%, followed by Canada with 22,80%. Russia and Ukraine, with similar shares to the EU, suffered declines in their exports to Mexico (-22,1% and -73,4% respectively).

10019901 - Common Wheat					
Country	2019	2020	Market Share 2019	Market Share 2020	Annual Change
USA	733.884.050,00	633.127.692,98	74,63%	71,34%	-13,73%
Canada	167.539.266,07	202.307.716,67	17,04%	22,80%	20,75%
Russia	25.687.313,39	20.014.935,96	2,61%	2,26%	-22,08%
EU	227,68	19.187.253,51	0,00%	2,16%	8427242,72%
Ukraine	48.331.330,36	12.854.166,67	4,92%	1,45%	-73,40%
Global Total	983.324.792,86	887.491.765,79	NA	NA	-9,75%

1. Carrageenin is an additive used to thicken, emulsify, and preserve foods and drinks. It is commonly found in nut milks meat products and yogurt.



European Union

## PHARMACEUTICAL INDUSTRY



The following section is based on the associated HS4 digit tariff subsector codes of chapter 30 Pharmaceutical Goods: 3001 “Glands and Other Organs for Organo-Therapeutic Uses”, 3002 “Antisera and Vaccines”, 3003 “Wholesale Medicine”, 3004 “Retail medicine”, 3005 “Wadding, Gauze and Bandages” and 3006 “Pharmaceutical Goods”. HS4 tariff subsector 2941 “Antibiotics” was also included.

During 2020, global exports to Mexico in this sector were worth EUR 4.520 million. The EU supplied 46,56% of the pharmaceutical imports in Mexico, worth EUR 2.104 million. Imports from the European Union increased by 2,66%, compared to 2019.

The most important exporters in 2020 were the European Union with 46,56% of total imports (EUR 2.104 million), in second place the United States of America, 21,06% (EUR 952 million), in third place China, 5,63% (EUR 254,64 million), followed by Switzerland, 5,23% (EUR 236,52 million), and Puerto Rico, 4,84% (EUR 218,73 million). Overall, the top 5 exporters contributed 83,33% of all pharmaceutical imports to Mexico.

In 2020, imports from the United States of America dropped 7,16%, compared to 2019, followed by Switzerland with a drop of 3,73% and, in third place, Puerto Rico with a decline of 0,43%. On the other hand, during this period China recorded an increase of 19,79%, and the EU 2,76%.

When analyzing the sector at HS4 digit tariff subsector, the most important goods exported from the EU to Mexico for this period were “Retail Medicines” (3004), 65,30% worth EUR 1.374 million, followed by “Antisera and Vaccines” (3002), 26,99% worth EUR 568,02 million, and “Pharmaceutical Goods” (3006), 3,76% worth EUR 79,23 million. These three sectors represented 96,05% of all Pharmaceutical Goods imported to Mexico from the EU.

Among exports from the EU to Mexico, the two HS4 digit tariff subsectors that decreased during 2020 are “Pharmaceutical Goods”, -18,11% and “Antisera and Vaccines”, -10,61%. The other four HS4 tariff subsectors that experienced an increase in 2020 compared to 2019 were: “Wadding, Gauze and Bandages”, which increased by 26,92%, “Antibiotics” by 20,36%, “Retail Medicines” by 10,79%, and “Wholesale Medicine” by 1,65%.

## MEDICAL DEVICE INDUSTRY



The value chain of the Medical Devices Industry includes a wide range of products from medical products for general care to ophthalmology and dental care. The industry also includes devices such as complex machinery to disposable devices. Therefore, the products (tariff lines) in this sector belong to an extensive range of tariff chapters; they include 166 HS8 digit tariff lines used by the Ministry of Economy to define the medical device industry. ([https://www.gob.mx/cms/uploads/attachment/file/127500/Sector\\_Industria\\_Dispositivos\\_Medicos.pdf](https://www.gob.mx/cms/uploads/attachment/file/127500/Sector_Industria_Dispositivos_Medicos.pdf)).

During 2020, Medical Devices imported from the European Union decreased by 9,86%, compared to 2019. In total, the EU exported EUR 577,85 million to Mexico. 12,09% of all medical devices imported came from the EU.

The most important sources of Medical Devices to Mexico in 2020 were the USA, 56,86% of all imports (EUR 2.716 million), followed by China, 13,70% (EUR 654,54 million), the European Union, 12,09% (EUR 577,85 million), Japan, 2,32% (EUR 110,92 million) and Taiwan, 1,45% (EUR 69,49 million). Overall, the top 5 exporters of medical devices to Mexico made up 86,43% of all imports in 2020.

Among the most important exporters to Mexico, the European Union (-9,86%) and the United States (-4,55%) were the only ones to report a decrease during 2020, compared to 2019. By contrast, the best performance was recorded by China with an increase of 14,88%, followed by Taiwan, at 3,82% and finally Japan, with an increase of 0,73%. The year 2020 saw a global trade decrease of 1,37%, totaling EUR 4.778 million in the import of medical devices to Mexico.

When the sector is broken down at HS8 digit tariff line level, the most important goods exported by the EU to Mexico in 2020 were: “Other Instruments and Appliances used in Medical, Surgical, Dental or Veterinary Sciences” (90189099), 13,31% (EUR 76,89 million), followed by “Ozone Therapy, Oxygen Therapy, Aerosol Therapy, Artificial Respiration or Other Therapeutic Respiration Apparatus” (90192001), 6,65% (EUR 38,45 million), in third place “Other Disposable Medical Devices” (90183999), 6,23% (EUR 35,97 million), and in fourth place “Machinery and Apparatus for Filtering or Purifying Blood” (84212908), 5,54% worth (EUR 32,01 million). These four products (tariff lines) represented 31,73% of all the medical devices exported from the EU to Mexico in 2020.

Among this sector exports from the EU to Mexico, the HS8 digit tariff line of “Other Disposable Medical Devices” fell -14,45%. The HS8 digit tariff lines “Ozone Therapy, Oxygen Therapy, Aerosol Therapy, Artificial Respiration or Other Therapeutic Respiration Apparatus” experienced a sharp increase of 90,57%, while “Other Instruments and Appliances used in Medical, Surgical, Dental or Veterinary Sciences” increased 5,51%, and “Machinery and Apparatus for Filtering or Purifying Blood” decreased by 0,55%.

## AUTOMOTIVE INDUSTRY



The following section is based on chapter 87 “Vehicles other than Railway of Tramway Rolling-Stock and Parts and Accessories thereof”, which comprises 16 HS4 digit tariff subsectors.

During 2020, Automotive Industry exports from the European Union to Mexico decreased by 31,68%, compared to 2019. Overall Mexican imports in this sector totalled EUR 23.718 million. Automotive industry supplies from the European Union accounted for 12,83% (EUR 3.044 million) of Mexican imports.

The most important Automotive Industry suppliers in 2020 were the USA, 45,38% (EUR 10.763 million), followed by the EU, 12,83% (EUR 3.044 million), in third place China, 10,86% (EUR 2.575 million), followed by Japan, 8,74% (EUR 2.072 million), and South Korea, 4,77% (EUR 1.130 million). Overall, the top five exporters accounted for 82,57% of Mexico’s total Automotive Industry imports in 2020.

Compared to 2019, the EU experienced a decrease in automotive exports of 31,68%, South Korea registered a 29,78% decline, and China a 27,30% decline. Finally, imports from Japan and the United States fell 23,55% and 23,23% respectively.

When the sector is broken down by HS4 digit tariff subsectors, the most important exported goods from the EU to Mexico during 2020 were “Parts and Accessories of the Motor Vehicles” (8708) with a 60,35% share, worth EUR 1.837 million, followed by “Motor Cars and Other

Vehicles Designed to Transport People” (8703), 26,61% (EUR 901,23 million), and in the third place, “Motor Vehicles for the Transport of Goods” (8704) with 3,17%, which represented a value of EUR 96,58 million. These three sectors represented 93,13% of the total imports for the Automotive Industry from the EU during that period.

Among exports from the EU to Mexico, several HS4 digit tariff subsectors decline in comparison to the same period of 2019. The “Motor Vehicles for the Transport of Goods” subsector experienced a decrease of 58,22%, followed by the subsector “Motor Cars and Other Vehicles Designed to Transport People”, with a fall of 46,36%. The subsector “Special Purpose Motor Vehicles” (8705) recorded a decrease of 64,05% of EUR 23 million, the largest of all HS4 subsectors in the Automotive Industry. Conversely, “Bodies (including cabs)” reported an increase of 20,36%, the only increase recorded during the period for any of the HS4 digit tariff subsectors in this industry.