

The Food and Beverage Market Entry Handbook: Mexico:

**a Practical Guide to the Market in Mexico for European Agri-food
Products and Products with Geographical Indications**



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Contents

1	The Food and Beverage Market Entry Handbook: Mexico	9
1.1	How to use this handbook	9
2	Country introduction and overview	10
2.1	Country overview: Mexico at a glance.....	11
2.1.1	Past economic and political trends	11
2.1.2	Current economic situation and mid-term outlook.....	13
2.1.3	Population trends.....	15
2.2	Geography and key markets	16
2.2.1	Overview of urban markets	19
2.2.2	Snapshots of important markets	22
2.2.3	Domestic production.....	28
3	Introduction to the food and beverage market and consumers	29
3.1	Overview of the food and beverage market and demand for imported products.....	29
3.1.1	F&B market summary	29
3.1.2	International trade in F&B	29
3.1.3	The market for imported F&B.....	31
3.2	Growth Drivers and Trends.....	31
3.3	Consumer profiles and preferences.....	34
3.3.1	Consumer profiles	34
3.3.2	Cultural Sensitivities and Other Considerations	35
4	Market access and entry.....	38
4.1	Summary SWOT analysis.....	38
4.2	Food and beverage legislation and regulations	38
4.2.1	Import requirements/restrictions, customs procedures and documentation	38
4.2.2	Food safety and other food certification requirements	41
4.2.3	Labelling Requirements	43
4.2.4	Protection of intellectual property rights and GIs	45
4.2.5	Relevant authorities for IPR and GI protection.....	47
4.3	International trade.....	48
4.3.1	Mexico and foreign trade.....	48

4.3.2	Key trade agreements, present and future	49
4.3.3	WTO disputes and other trade barriers	52
4.3.4	Summary of key trade barriers	53
4.4	Operating in the Mexican food and beverage market.....	53
4.4.1	Logistical services and transportation infrastructure	53
4.4.2	Distribution	57
4.4.3	Business environment.....	61
4.4.4	Key operational considerations and challenges: summary	61
4.4.5	Other relevant information.....	62
5	Market Snapshots for Selected Products.....	63
5.1	Wine	64
5.1.1	SWOT analysis.....	64
5.1.2	Consumption.....	64
5.1.3	Offer	68
5.1.4	Specific market entry requirements	72
5.1.5	Distribution	72
5.1.6	Challenges for EU products.....	73
5.2	Spirits	75
5.2.1	SWOT analysis.....	75
5.2.2	Consumption.....	75
5.2.3	Offer	79
5.2.4	Specific market entry requirements	85
5.2.5	Distribution	86
5.2.6	Challenges for EU products.....	86
5.3	Dairy	88
5.3.1	SWOT analysis.....	88
5.3.2	Consumption.....	88
5.3.3	Offer	92
5.3.4	Specific market entry requirements	99
5.3.5	Distribution	100
5.3.6	Challenges for EU products.....	102
5.4	Olive oil	103

5.4.1	SWOT analysis	103
5.4.2	Consumption	103
5.4.3	Offer	105
5.4.4	Specific market entry requirements	110
5.4.5	Distribution	110
5.4.6	Challenges for EU products	111
5.5	Processed fruit and vegetables	113
5.5.1	SWOT analysis	113
5.5.2	Consumption	113
5.5.3	Offer	115
5.5.4	Specific market entry requirements	116
5.5.5	Distribution	116
5.5.6	Challenges for EU products	118
5.6	Pasta	119
5.6.1	SWOT analysis	119
5.6.2	Consumption	119
5.6.3	Offer	122
5.6.4	Specific market entry requirements	125
5.6.5	Distribution	126
5.6.6	Challenges for EU products	127
5.7	Baked goods	128
5.7.1	SWOT analysis	128
5.7.2	Consumption	128
5.7.3	Offer	131
5.7.4	Specific market entry requirements	134
5.7.5	Distribution	135
5.7.6	Challenges for EU products	136
5.8	Chocolate and confectionery	138
5.8.1	SWOT analysis	138
5.8.2	Consumption	138
5.8.3	Offer	143
5.8.4	Specific market entry requirements	148

5.8.5	Distribution	149
5.8.6	Challenges for EU products.....	150
5.9	Processed meat.....	152
5.9.1	SWOT analysis.....	152
5.9.2	Consumption.....	152
5.9.3	Offer	154
5.9.4	Specific market entry requirements	158
5.9.5	Distribution	159
5.9.6	Challenges for EU products.....	160
5.10	Beer.....	161
5.10.1	SWOT analysis.....	161
5.10.2	Consumption.....	161
5.10.3	Offer	164
5.10.4	Specific market entry requirements	168
5.10.5	Distribution	168
5.10.6	Challenges for EU products.....	169
5.11	Fresh fruit and vegetables	171
5.11.1	SWOT analysis.....	171
5.11.2	Consumption.....	171
5.11.3	Offer	175
5.11.4	Specific market entry requirements	181
5.11.5	Distribution	182
5.11.6	Challenges for EU products.....	182
5.12	Fresh meat	184
5.12.1	SWOT analysis.....	184
5.12.2	Consumption.....	184
5.12.3	Offer	188
5.12.4	Specific market entry requirements	192
5.12.5	Distribution	193
5.12.6	Challenges for EU products.....	194
5.13	Processed cereals.....	195
5.13.1	SWOT analysis.....	195

5.13.2	Consumption.....	195
5.13.3	Offer.....	197
5.13.4	Specific market entry requirements.....	200
5.13.5	Distribution.....	200
5.13.6	Challenges for EU products.....	201
5.14	Honey.....	202
5.14.1	SWOT analysis.....	202
5.14.2	Consumption.....	202
5.14.3	Offer.....	203
5.14.4	Specific market entry requirements.....	205
5.14.5	Distribution.....	206
5.14.6	Challenges for EU products.....	207
5.15	Live plants.....	208
5.15.1	SWOT analysis.....	208
5.15.2	Consumption.....	208
5.15.3	Specific market entry requirements.....	212
5.15.4	Distribution.....	213
5.15.5	Challenges for EU products.....	214
6	Communication.....	215
6.1	Communication strategy.....	215
6.1.1	Online & Digital Medias.....	215
6.1.2	Traditional Media.....	218
6.1.3	Case study: A successful food and beverage communication campaign in Mexico.....	219
6.1.4	Fairs and exhibitions.....	219
6.2	Advertising regulations.....	220
7	Mexican Etiquette.....	221
7.1	Quick facts.....	221
7.2	Key DOs and DON'Ts.....	222
8	Directory of Trade Support Projects, Organisations, and Service Providers.....	223
8.1	European Union Organisations.....	223
8.2	Directory of EU Member State Embassies.....	224
8.3	Other organisations and service providers.....	227

8.4	Calendar of trade events and exhibitions.....	231
8.5	Database of professionals’ contacts	234
	List of relevant buyers, importers and distributors	234
9	European products registered or set to be registered as GIs under the modernised EU-Mexico Trade Agreement	242
	Agreement between the European Community and the United Mexican States on the mutual recognition and protection of designations for spirit drinks.....	242
	Provisional list of 340 products set to be registered as GIs under the modernised EU-Mexico Trade Agreement	249

1 The Food and Beverage Market Entry Handbook: Mexico

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Mexican market. This Handbook provides **step-by-step guides** on entering the agri-food market in Mexico including relevant information such as **analysis of the Mexican market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Mexican market.

1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Mexican food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, and the status of Geographical Indicators and Intellectual Property protection. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Mexican market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Mexican market.

2 Country introduction and overview



Capital:	Mexico City
Population:	131 million (2018) – 10 th largest in the world
Area:	1 943 950 sq. km (750 563 sq. miles)
Political structure:	<ul style="list-style-type: none"> • Federal Presidential Republic (United Mexican States) • President as an executive and head of state and government appointing the Cabinet; The legislature comprises The Chamber of Deputies and The Senate of the Republic
Official language:	Spanish
Major religions:	Roman Catholic (above 80%), Protestant (approx. 10%)
Life expectancy:	74 years (men), 79 years (women)
Currency:	Mexican Peso (MXN); EUR 1 = MXN 22.61 (November 2018)
GDP growth:	2.0 % (2017 annual change)
Exports:	38.16 % of GDP (2016)
Imports:	39.99 % of GDP (2016)
Main exports:	Vehicles (24%), electrical machinery (19%), machinery, incl. computers (16%), mineral fuels incl. oils (5%)
Main imports:	Electrical machinery (20%), machinery incl. computers (16%), vehicles (9%), mineral fuels incl. oil (8%), plastics (5%)
Unemployment rate:	3.1% (2017)*
Labour force:	59.5% (2017)
Main industries:	<ul style="list-style-type: none"> • Agriculture: employs approx. 13% of the workforce; 3.9% of GDP • Industry: employs approx. 25% of the workforce; 31.6% of GDP • Services: employs approx. 60% of the workforce; 64% of GDP
Household income:	EUR 26 553 (2017)
Household expenditure on food and beverages:	EUR 5 076 (2017)
Food and beverage market:	EUR 172 billion (2017)

Sources: World Bank, Euromonitor International: Economies and Consumers, 2018; IMF; UN; WHO; ECB

* There is however a high level (60% approx.) of informal income.

2.1 Country overview: Mexico at a glance

2.1.1 Past economic and political trends

- ***The Mexican economy has been mainly based on manufacturing and oil industry. As the world's seventh-largest producer of oil in mid 2000s, its reserves have started to decrease rapidly.***
- ***After a long period of post-war development, lasting from 1940s to 1970s (Mexican miracle), Mexico faced deterioration of economic growth and went in to crisis in 1980s to emerge from recession in mid 1990s, noting a modest growth.***
- ***Mexico's GDP plummeted in 2009, as a result of the global financial crisis.***
- ***Economic activity in Mexico has remained resilient in recent years, however the country's greatest challenges have included reducing poverty and addressing crime and related issues.***
- ***After over 70 years in power the Institutional Revolutionary Party (PRI) lost the 2000 presidential election to a National Action Party (PAN) candidate – Vicente Fox.***
- ***Elections of 2018 brought a new president (and party) to power - Andrés Manuel López Obrador, who took in December 2018 after creating his own party: MORENA.***

The *Mexican miracle*, a period between 1940s and 1970s, brought steady real economic growth of 3 to 4% and 3% inflation annually¹. It was caused by country's development strategy, which included many structural reforms, such as: transition from predominantly agricultural to manufacturing economy; direct investment; public finance reforms; and shift from import substitution industrialisation (ISI) to capital goods among others. Nonetheless, in 1980s Mexico suffered from the worst recession since the 1930s as a result of falling oil prices, higher world interest rates, rising inflation and overvalued peso. To remedy the further economic deterioration, the Mexican authorities considerably reduced public spending and stimulated exports. Mexico's GDP rose by only 0.1% per year during most of the 1980s. In early 1990s the national development plan was implemented, which called for annual GDP growth of 6% by increasing investment and encouraging private investors through denationalization and deregulation of the economy. The late 1990s showed that Mexico started to emerge from its recession, noting modest economic growth. Despite the modest upward trend of the Mexican economy in early 2000s, its GDP plummeted in 2009, shrinking by roughly 6%, as an aftermath of global financial crisis² due to its high linkages with the US.

Recent years have brought moderate economic growth, although among the strongest in Latin America. As concluded by the latest IMF annual economic assessment, output has grown moderately while inflation

¹Growth and Structure of the Economy; <http://countrystudies.us/mexico/65.htm>

² Making the desert bloom; <https://www.economist.com/briefing/2011/08/27/making-the-desert-bloom>

has declined³. This upward economic trend was mainly driven by net exports and lately by private consumption (which rose by 3.0% in 2017⁴). Furthermore, there has been solid performance from the manufacturing sector, which in effect stabilized the unemployment rate (it has remained around 3.3%). However, it has to be noted that around 60% of all employment is informal. A tight monetary policy stance has brought decline in core inflation (3.7% y-o-y in September 2018) and rising energy prices caused slight increase in headline inflation to 5.0% (September 2018). The oil trade balance has noted a further weakening, whereas non-oil has been in surplus.

The ongoing fiscal consolidation plan focuses on tax compliance and public sector borrowing requirement (PSBR), the target for which is set at 2.5% of GDP. Due to the fiscal policies undertaken, public debt has recently been on a downward trend, reaching 54% of GDP in 2017 after increasing the 5 previous years. The structural reform agenda has been also in the implementation phase; however, little progress has been noted in relation to one of the main issue in the Mexican economy: corruption, although a National Anti-Corruption System (NACS) has been created. Mexico has been attracting more and more foreign direct investment (FDI) over the years, especially in its manufacturing and banking sectors⁵.

Pemex, the Mexican state-owned petroleum company, is the key player on the oil industry market in Mexico, constituting one third of Mexico's federal government revenue⁶. However, its monopoly is set to be broke as the first private company production is projected to emerge in 2019 following the energy reform and progress in the oil exploration auctions⁷. The overall liberalization of gasoline prices was concluded in 2017, however the Mexican authorities has adjusted the excise tax in order to ensure smooth transition to market prices from controlled domestic prices. Moreover, the Federal Economic Competition Commission (COFECE) has been focused on anti-competitive practices and strengthening competition.

From a political point of view, Mexico was governed by Institutional Revolutionary Party (PRI) for over 70 years in which the country experienced both high economic progress (the *miracle*), as well as recession times, *circa* 1980s and early 1990s. Ruling of PRI in Mexico was characterized by rather hegemonic political attributes, with opposition parties posing little or no threat to federal government⁸. However, in view of the recession of the late 1980s, the PRI agenda slightly shifted to probusiness and free-market measures,

³ Mexico. 2018 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STAFF STATEMENT; <https://www.imf.org/en/Publications/CR/Issues/2018/11/07/Mexico-2018-Article-IV-Consultation-Press-Release-Staff-Report-and-Staff-Statement-46343>

⁴ Euromonitor International: Economies and Consumers, 2018

⁵ Mexico's commitment to stable economic growth allows for expansion amid challenges; <https://oxfordbusinessgroup.com/overview/standing-strong-commitment-stable-growth-has-allowed-expansion-face-serious-challenges>

⁶ Euromonitor International: Economies and Consumers, 2018

⁷ Mexico. 2018 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STAFF STATEMENT; <https://www.imf.org/en/Publications/CR/Issues/2018/11/07/Mexico-2018-Article-IV-Consultation-Press-Release-Staff-Report-and-Staff-Statement-46343>

⁸ Institutional Revolutionary Party (PRI); <http://countrystudies.us/mexico/84.htm>

which effectively caused an internal rupture leading to nomination of Carlos Salinas, a Mexican neo-liberal economist as PRI presidential candidate. Having won the presidency in 1988 he pushed for mass privatization and free trade economic policies – resulting in Mexico’s entry into NAFTA. Despite the neo-liberal approach, the PRI ultimately lost presidential elections in 2000 to a National Action Party (PAN) candidate – Vicente Fox.

More recently, elections of 2018 brought shifts to Mexican politics – as the National Regeneration Movement’s (MORENA)⁹ candidate and founder Andrés Manuel López Obrador won presidential elections in a landslide, taking 53% of the vote. The new president of Mexico who took over the office in December 2018, identifies among his top priorities: agriculture and education policies overhauls; the revision of compensation policies of public officials; increases in social programmes; and fighting corruption and crime.

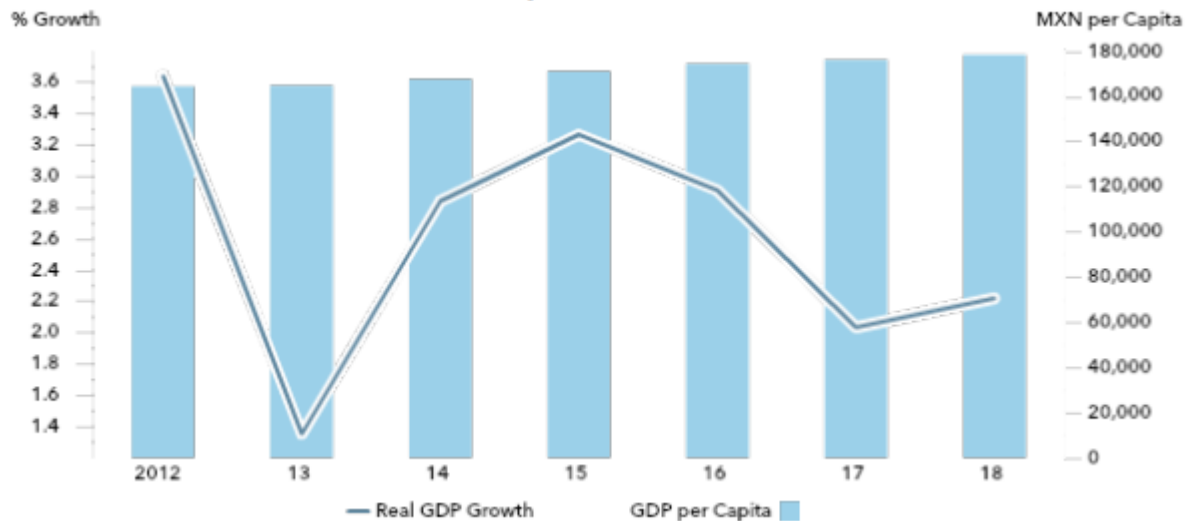
2.1.2 Current economic situation and mid-term outlook

- ***Mexico’s economy has been performing positively, noting growth of 2.1% in 2018 with a simultaneous decline in inflation and public debt.***
- ***Two of the greatest challenges of Mexican economy relate to the high poverty rate, which is limited by low social spending; and crime rate, which has been identified as impacting the economy and increases the funds allocated to security measures.***
- ***The mid-term outlook is rather optimistic, with projected upward economic growth, driven by private consumption; as well as further drops in inflation and public debt, which ultimately may positively influence social and infrastructure spending.***

As presented in Figure 2-1, GDP per Capita has been on slight upward trend in recent years, whereas the real GDP growth rate has been fluctuating and is expected to be at 2.1% in 2018. In general terms, in spite of unfavourable internal and external conditions, i.e. disruption from recent elections and, until recently, uncertainty related to future trade relationship with the United States, Mexico’s economy has continued to grow. While public debt has been on decline since 2016, it is still high compared to the region as a whole, and this effectively impacts social and infrastructure spending.

⁹ In coalition with Labour Party and Social Encounter Party.

Figure 2-1: Real GDP Growth and Per Capita GDP in Mexico: 2012-2018



Note: Data for 2018 is forecast. GDP per capita are in constant 2017 prices

Source: Euromonitor International: Economies and Consumers, 2018

One of Mexico's greatest challenges is the poverty rate, which remains high; 43% of the population are considered to live in poverty. The current poverty rate is notably combined with low social spending. As a whole, the money spent on initiatives to address this have not produced proportionally effective results; nevertheless, some policies to address this have turned out to be relatively successful, such as cash transfer programmes aimed at reducing inequality.

As far as other challenges are concerned, crime rates in Mexico have been rising yearly. Effectively, it has caused additional economic costs due to widened security measures; and has also had impacts on Mexico reputation and future foreign investment initiatives. Lastly, some experts argue that productivity of Mexican companies as well as a lack of sufficient investments in education are also among the biggest challenges of the country's economy¹⁰.

Despite these challenges, the projections on the mid-term outlook are rather positive provided that implementation of the structural reforms is preserved. Supported by private consumption and exports, growth is projected to modestly pick up (reaching 2.8% per year in 2025) and inflation to decline further. In addition, in view of the complex external environment, macroeconomic stability and an independent monetary policy are seen by the new administration as pillars of the Mexican economy and sustainable economic growth. The economy is expected to benefit from the newly signed USMCA (United States-

¹⁰What's Holding Mexico's Economy Back; <https://www.bloomberg.com/opinion/articles/2018-07-09/no-quick-fixes-for-mexico-s-slow-growing-economy>

Mexico-Canada Agreement), which ended uncertainty and the threat of terminating NAFTA, as well as from the EU and Mexico deal, negotiation of which was concluded in April 2018.

2.1.3 Population trends

- ***The population of Mexico has been steadily growing, rising from 103 million in 2000 to 131 million in 2018. The pace of the growth however has been slowing down.***
- ***Mexico is the highest populated Spanish speaking country in the world. The main ethnic groups¹¹ include mestizo (Amerindian-Spanish) – 62%, predominantly Amerindian – 21%, Amerindian – 7% and other – 10% (mostly European).***
- ***The median age has oscillated around 29 years. The major demographic is females and males aged 25-54, and life expectancy amounts to 74 years (men) and 79 years (women).***

Mexico has had a positive growth of population over last 70 years, especially between 1933 and 1980 when population quadrupled. However, in recent years, the pace of growth has decelerated. Mexico is now the highest populated Spanish country in the world with several ethnic groups: mestizo 62%, predominantly Amerindian – 21%, Amerindian – 7% and other – 10% (mostly European).

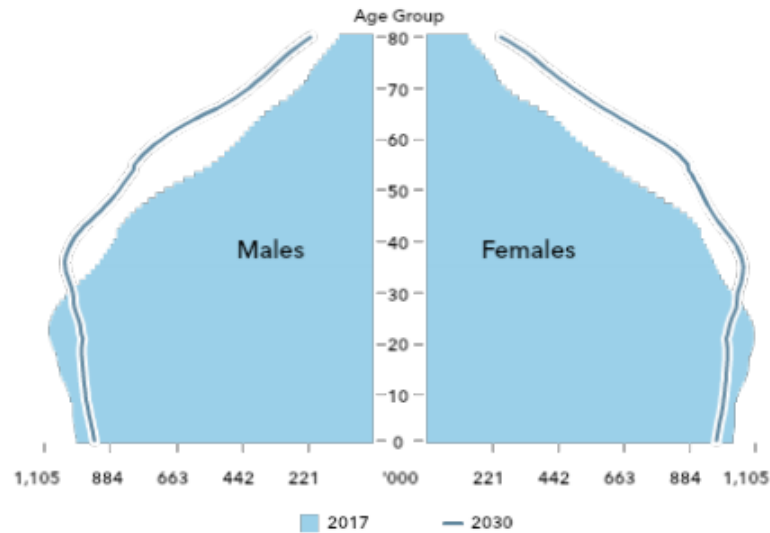
Fertility in Mexico is 2.2 births per female and has been falling since 1980s; this has coincided with the introduction of family planning and change in family values¹². However, the size of families differs between metropolitan areas, where families are in general smaller, and rural areas where families are bigger in size. The demographic structure has been also shaped by emigration which has been significant in Mexico for a long time.

As seen in Figure 2-2, Mexican society is rather young, however by 2030, the number of citizens above 40 years is forecast to increase due to the ongoing ageing of the population and lower fertility rates.

¹¹ It should be noted that Mexico does not collect census data on ethnicity (2012 est.).

¹² Euromonitor International: Economies and Consumers, 2018

Figure 2-2: Age Pyramid in 2017 and 2030 in Mexico



Source: Euromonitor International: Economies and Consumers, 2018

2.2 Geography and key markets

Mexico is a federation of thirty-two free and sovereign States, which ultimately form a union. Each State forms their own Constitution, Congress and judiciary; and elects a governor for a six-year term, as well representatives to State congresses. The States are also divided into municipalities, which are the smallest administrative political entities. Mexico City, as set out in the Constitution, is the capital and seat of the federal jurisdiction. The division of States is presented in Figure 2-4.

Figure 2-3: Mexico by States



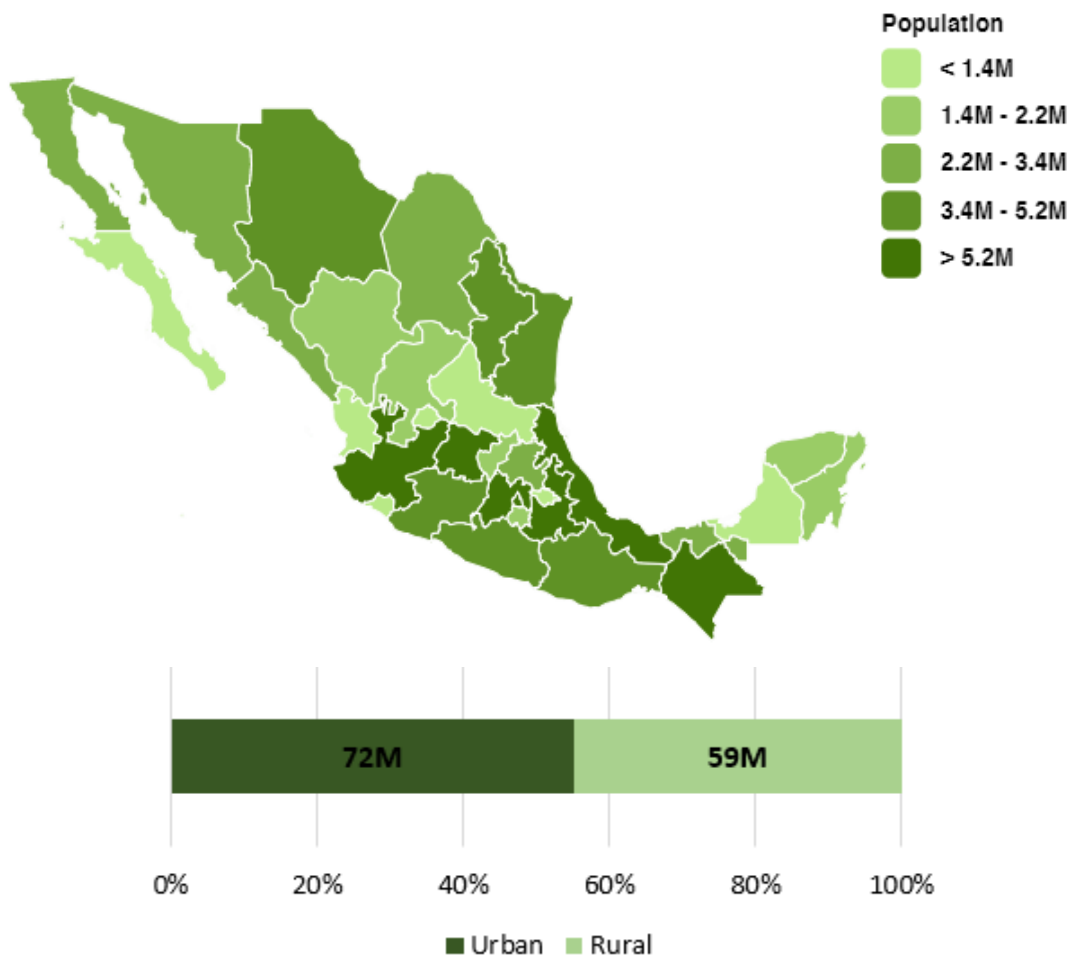
- | | |
|-----------------------|---------------------|
| 1 Baja California | 17 Hidalgo |
| 2 Baja California Sur | 18 Colima |
| 3 Sonora | 19 Michoacán |
| 4 Chihuahua | 20 Estado de México |
| 5 Coahuila | 21 Mexico City |
| 6 Sinaloa | 22 Tlaxcala |
| 7 Durango | 23 Morelos |
| 8 Nuevo León | 24 Puebla |
| 9 Zacatecas | 25 Guerrero |
| 10 Tamaulipas | 26 Veracruz |
| 11 Nayarit | 27 Tabasco |
| 12 Aguascalientes | 28 Yucatán |
| 13 San Luis Potosí | 29 Campeche |
| 14 Jalisco | 30 Quintana Roo |
| 15 Guanajuato | 31 Oaxaca |
| 16 Querétaro | 32 Chiapas |

Source: Agra CEAS

Mexico's population is in 55% urbanized¹³, with majority of urban centres located in central Mexico. Due to the range of different climates in the country, the urbanization rate largely depends on favourable weather and land conditions. Mexico's population by State is presented in Figure 2-4.

¹³ Based on World Bank data (2017).

Figure 2-4: Mexico's population by State



Source: Agra CEAS

Climate in Mexico



Mexican physical geography is very diverse, having the 4th highest biodiversity in the world, with about 10% of all the world's species living in Mexico. The country is covered in mountains, deserts and rainforest; however, the most significant climatic division relates to the Tropic of Cancer, which impacts the weather conditions on both sides. The Northern part of Mexico is relatively dry and temperate, with high temperatures in summer and low ones in winter. The South, on the other hand, is much more tropical with more rainfall present. Furthermore, Mexico is located among three tectonic plates; a fact which considerably impacts the occurrence of earthquakes, with earthquakes over 7 on the richterRichter scale generally occurring every 1-2 years.

Source: Physical Geography of Mexico; <https://study.com/academy/lesson/physical-geography-of-mexico.html> and Geography of Mexico; <http://www.explorandomexico.com/about-mexico/7>

2.2.1 Overview of urban markets

Mexico's capital – Mexico City is among most populated cities in the world and constitutes the country's leading economic hub. Beyond Mexico City there are several States with significant urban markets. The overview of States and their characteristics are presented in Table 2-1.

Table 2-1: Summary of the regions in Mexico and related data (2017)

State name	Capital	Basic information	Major industries
Aguascalientes	Aguascalientes	GDP: 1% ¹⁴ Population: 1 316 000	Textile, agriculture, manufacturing
Baja California	Mexicali	GDP: 3% Population: 3 349 000	Aerospace, medical devices, automotive, electronics
Baja California Sur	La Paz	GDP: 1% Population: 718 000	Fishing, organic agriculture, salt industry
Campeche	San Francisco de Campeche	GDP: 5% Population: 902 000	Mining, agriculture, fishing
Chiapas	Tuxtla Gutiérrez	GDP: 2% Population: 5 229 000	Agriculture

¹⁴ Percentage of Mexico's total GDP, 2014

State name	Capital	Basic information	Major industries
Chihuahua	Chihuahua	GDP: 3% Population: 3 569 000	Manufacturing, electronics, automotive spare parts, telecommunications
Coahuila	Saltillo	GDP: 3% Population: 2 300 000	Automotive, textile, metallurgy
Colima	Colima	GDP: 1% Population: 715 000	Services, agriculture, iron mining
Durango	Victoria de Durango	GDP: 1% Population: 1 760 000	Services, manufacturing, mining
Guanajuato	Guanajuato	GDP: 4% Population: 5 865 000	Manufacturing, machinery, services
Guerrero	Chilpancingo de los Bravo	GDP: 1% Population: 3 542 000	Tourism, services, agriculture
Hidalgo	Pachuca	GDP: 2% Population: 2 863 000	Mining, manufacturing
Jalisco	Guadalajara	GDP: 6% Population: 7 881 000	Commerce, services, manufacturing
Estado de México	Toluca de Lerdo	GDP: 9% Population: 16 225 000	Machinery, electronics, automobiles, textiles, services
Mexico City (Federal District)	-	GDP: 17% Population: 8.9 million (21.6 million in the greater metropolitan area)	Services, finance and real estate, manufacturing, textiles, paper, automotive sectors
Michoacán	Morelia	GDP: 2% Population: 4 599 000	Services, agriculture, manufacturing, metal industry
Morelos	Cuernavaca	GDP: 1% Population: 1 912 000	Manufacturing, agriculture, services, finance
Nayarit	Tepic	GDP: 1% Population: 1 189 000	Services, agriculture
Nuevo León	Monterrey	GDP: 7% Population: 5 132 000	Manufacturing, services, commerce, natural gas, transportation technology
Oaxaca	Oaxaca de Juárez	GDP: 2% Population: 3 976 000	Manufacturing, services, transportation and communication industries, agriculture, fishing
Puebla	Puebla de Zaragoza	GDP: 3% Population: 6 183 000	Services, manufacturing, commerce,
Querétaro	Santiago de Querétaro	GDP: 2% Population: 2 044 000	Machinery, chemical, paper
Quintana Roo	Chetumal	GDP: 2% Population: 1 506 000	Tourism, services, manufacturing
San Luis Potosí	San Luis Potosí	GDP: 2% Population: 2 724	Services, commerce, agriculture
Sinaloa	Culiacán	GDP: 2% Population: 2 977 000	Industrial industry, commerce, agriculture
Sonora	Hermosillo	GDP: 3% Population: 2 874 000	Manufacturing, services, commerce

State name	Capital	Basic information	Major industries
Tabasco	Villahermosa	GDP: 3% Population: 2 401 000	Agriculture, fishing, forestry
Tamaulipas	Ciudad Victoria	GDP: 3% Population: 3 454 000	Manufacturing, commerce, automobiles, electronics
Tlaxcala	Tlaxcala	GDP: 1% Population: 1 274 000	Tourism, commerce, financial services
Veracruz	Xalapa	GDP: 5% Population: 8 128 000	Industrial industry, fishing industry
Yucatán	Mérida	GDP: 1% Population: 2 102 000	Services, tourism, financial services
Zacatecas	Zacatecas	GDP: 1% Population: 1 582 000	Agriculture, mining

In Mexico there are 11 cities with populations above 1 million inhabitants and above 120 cities with population oscillating between 100 000 and 1 million. The major urban centres of Mexico are depicted in Figure 2-5.

Figure 2-5: Mexico and main urban centres (above 1 million)



Source: Agra CEAS

2.2.2 Snapshots of important markets

Details on the key urban markets in Mexico are presented below.

Mexico City



Key facts (2017):

Total GDP:	<i>EUR 224 billion</i>
Real GDP growth:	<i>0.9%</i>
Population:	<i>21.6 million (greater metropolitan area)</i>

Mexico City is the country's economic hub with variety of services activities, which effectively helped the capital to considerably increase the labour productivity level over the years. As the largest metropolis in Mexico as well as in Latin America, it consists of 16 boroughs and has a population of 21.6 million. Moreover, Mexico City is characterized by high diversity with large percentage of various foreign inhabitants.

There are over 100 industrial parks located in the Metropolitan Mexico City, with particular concentration in Cuautitlan Izcalli, Tultitlan and Tepetzotlan municipalities. Moreover, the nearby free trade zone Pical Pantaco in the Azcapotzalco municipality provides necessary logistical and distribution services within the region. Benito Juarez International Airport, on the other hand, ensures easy access of cargo to Mexico City as well as neighbouring municipalities. In terms of employment, most inhabitants have found occupation in commerce sector, followed by public and business services.

Mexico City noted a significant real GDP growth between 2011 and 2016, increasing by almost 14%, which even surpassed the country's performance. In particular, the city's service sectors experienced a rise in terms of gross value-added share, followed by business services. Mexico City's growth, however, is projected to slow down, noting an increase of almost 11% in the next 3 years.

Almost 70% of city's inhabitants are aged between 15 and 64, constituting larger working age group than in the country (65%). In terms of income inequality, Mexico City is fairly representative of Latin American

as a whole. Housing accounts for the biggest part of household budget, amounting to 21%, followed by food and non-alcoholic drinks with a share above 20% and transport spending (20%).

Sources: Euromonitor International: Cities, 2018; Mexico City (Distrito Federal) - <https://www.history.com/topics/mexico/distrito-federal>

Guadalajara



Key facts (2017)

Total GDP (current prices):	<i>EUR 38 billion</i>
Real GDP growth:	<i>1.4%</i>
Population:	<i>1.5 million (5 million greater urban area)</i>

Guadalajara, as the second largest metropolitan area in the country, constitutes an important urban market due to its strong performance of manufacturing and commerce sectors. The city accommodates a variety of businesses such as automotive, software, aerospace and electronics with internationally known companies such as Hewlett Packard, Honda, IBM and Jabil Circuits among many more.

In recent years, Guadalajara has become considered a technology hub, reinventing the city sectors and focusing on research and development as well as programming¹⁵. The city has started to attract more foreign companies, keen on establishing their facilities. Moreover, due to the increasing cosmopolitan character of the city, it has become more appealing for investors.

The city offers access to many education facilities, which in effect shapes its educated and skilled workforce. The infrastructure of Guadalajara ensures the smooth connection with other parts of the

15 How Guadalajara Reinvented Itself as a Technology Hub
Read more: <https://www.smithsonianmag.com/innovation/how-guadalajara-reinvented-itself-technology-hub-180969314/#E8pYjvm76MMlclM7.99>

country, including the capital – Mexico City. The political stability of the State was also noticed, as successive authorities have been focusing on economic development of the city.

In terms of population the city is quite cosmopolitan. The changes in the city in recent years have also created some shifts in purchasing priorities with some higher demand for foreign, and European, products.

Sources: Explorando Mexico; Mexico News Daily; Euromonitor International: Economies and Consumers Annual Data

Monterrey



Key facts (2017)

Total GDP (current prices):	EUR 72 billion
Real GDP growth:	1.6%
Population:	1.1 million (4 million greater urban area)

Monterrey is one of the wealthiest cities in Mexico, in terms of per capita income. Moreover, it is also perceived as the most “Americanized” city in the country. In recent years due to reduction of crime in the area, Monterrey’s development has grown, especially around technology and related industry – materials or biotech¹⁶. At the same time, the software industry’s development has slowed at the expense of Guadalajara.

Nowadays, in Monterrey there are several major internationally known companies such as Mercedes, BMW, Samsung, Boeing as well as Mexican ones including Cemex, Femsa and Grupo Bimbo. This combination has created a multi-faceted industrial base in the city. Industry is primarily focused on engineering and innovation, which also includes developing human talent – often run by structured entities such as the Monterrey IT Cluster¹⁷. In addition, there are several research organisations predominantly focused on technology, such as “Tecnológico y de Estudios Superiores de Monterrey (ITESM)” or The Mexican Institute of Competitiveness.

Inhabitants of Monterrey are provided with modern infrastructure and plenty of different national and international events, which in the end is combined with the cosmopolitan character of the city. As consumers in Monterrey are, generally speaking, wealthy in comparison to other parts of the country, their purchasing criteria may differ to inhabitants of Mexico City or Guadalajara; and the American influence also impacts consumer preferences to some extent.

Sources: Euromonitor International: Economies and Consumers Annual Data; Explorando Mexico; Mexico News Daily;

¹⁶ Monterrey, Mexico’s Most “Americanized City”, Charts a New Path Away from Violence; <https://www.nearshoreamericas.com/monterrey-mexicos-bustling-city-set-outshine-guadalajara/>

¹⁷ Producing prosperity; <https://www.thebusinessyear.com/mexico-2016/producing-prosperity/focus>

Puebla**Key facts (2017)**

Total GDP (current prices):	<i>EUR 14 billion</i>
Real GDP growth:	<i>1.3%</i>
Population:	<i>1.5 million (2.5 greater metropolitan area)</i>

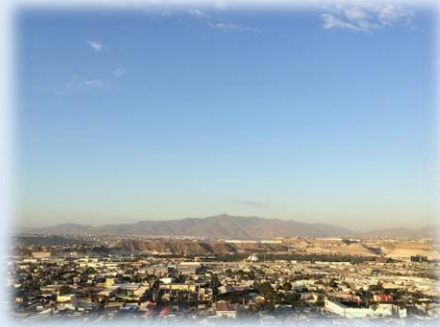
Puebla, city located on southeast from Mexico City, is mostly known for its automotive industry. In addition to long-established automotive industry which goes back to 1960s when Volkswagen set up its first operations, there is also a mature sector of metal industry, which emerged alongside the automotive industry.

Moreover, in recent years, several museums have been opened, the famous International Museum of the Baroque as well as the Museum of the Automobile, which is also to some extent associated with history of the city¹⁸. The historic district of colonial city offers abundance of unique architectonic qualities and buildings.

Puebla is considered as a one of the most historical cities in the country. Due to its traditional character, the city is also known for its gastronomical traditions, which include Mexican cultural connotations and typical Mexican dishes.

Sources: Euromonitor International: Economies and Consumers Annual Data; Financial Times; Mexico News Daily; NY Times

¹⁸ Puebla, Mexico — the Baroque Bilbao; <https://www.ft.com/content/9baeeca4-4d37-11e8-97e4-13afc22d86d4>

Border cities (Tijuana & Juarez)**Key facts (2017) - Tijuana**

Total GDP (current prices):	EUR 18 billion
Real GDP growth:	1.2%
Population:	1.3 million

Key facts (2017) – Ciudad Juarez

Total GDP (current prices):	EUR 10 billion
Real GDP growth:	-0.1%
Population:	1.5 million

Both Juarez and Tijuana are located on the border with the United States, with Tijuana perching on the North East and Juarez on North West.

Tijuana, once considered more as a touristic and thrilling city, has become a cross-border hub, with more and more manufacturing companies exporting to the US. In particular, the *maquiladora* programme has been successful, as it has been using the potential of location, bilingual population and industrial capacity¹⁹. Moreover, the city has also started to focus on innovation and hosts numerous foreign companies including Cisco or IBM. Tijuana borders with the US city – San Diego.

Ciudad Juarez and its sister city on the US side – El Paso, form a bi-national community often referred as “Borderplex”²⁰. The geographical position predesignates Juarez to have strong business ties with the US, also due to several ports of entry. In the city there are manufacturing businesses connected to automotive and electrical industries as well as some companies offering legal services.

Sources: Euromonitor International: Economies and Consumers Annual Data; Financial Times; Mexico News Daily;

¹⁹ Tijuana: from party town to tech hub; <https://www.ft.com/content/e1c4db02-3bc5-11e7-ac89-b01cc67cfeec>

²⁰ THE CIUDAD JUAREZ – EL PASO BORDERPLEX; <https://industrytoday.com/article/the-ciudad-juarez-el-paso-borderplex/>

2.2.3 Domestic production

The agricultural sector in Mexico has a long-standing history, being also combined with Mexican culture and lifestyle. The country first achieved a positive trade balance in the area of agri-food products few years back. Domestic production in Mexico comprises significant volumes of maize, sugar cane, avocado, lemons, limes, sorghum and wheat, among other products. The key trading partner of Mexico in agri-food sector is USA, where the vast majority of Mexican products are exported, and which is also the most important source of agri-food imports. The corresponding market snapshots (section 5) contain more information on domestic production for different product categories as well as trade in these products.

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

Mexican agri-food production has developed in recent years, and since 2015 Mexico has a positive agri-food trade balance (i.e. it exports more than it imports). This is due to, among other factors, the higher use of technology and work in the area of food safety resulting in access to more markets²¹. Despite Mexico's overall **trade surplus** in agri-food products, there are notable opportunities for imports; primarily for higher end refined/processed products, though also among some primary products for which Mexico has a large deficit (e.g. pigmeat).

3.1.2 International trade in F&B

As noted above, while Mexico is a net exporter of agri-food products as a whole, it relies on imports for some categories. The number one overall partner for this trade is the USA, which accounts for some 65% of agricultural imports, with corn, soybeans and dairy being the largest three sub-sectors.

In terms of agri-food trade with the EU, Mexico is a marginal net importer, with the value of imports increasing fairly consistently over the 2009 to 2017 period to reach EUR 1.4bn (Figure 3-1).

²¹ <https://www.gob.mx/presidencia/en/articulos/mexico-world-power-in-agri-food-production>;
https://www.gob.mx/cms/uploads/attachment/file/433729/Balanza_Comercial_Agropecuaria_y_Agroindustrial_noviembre_2018.pdf

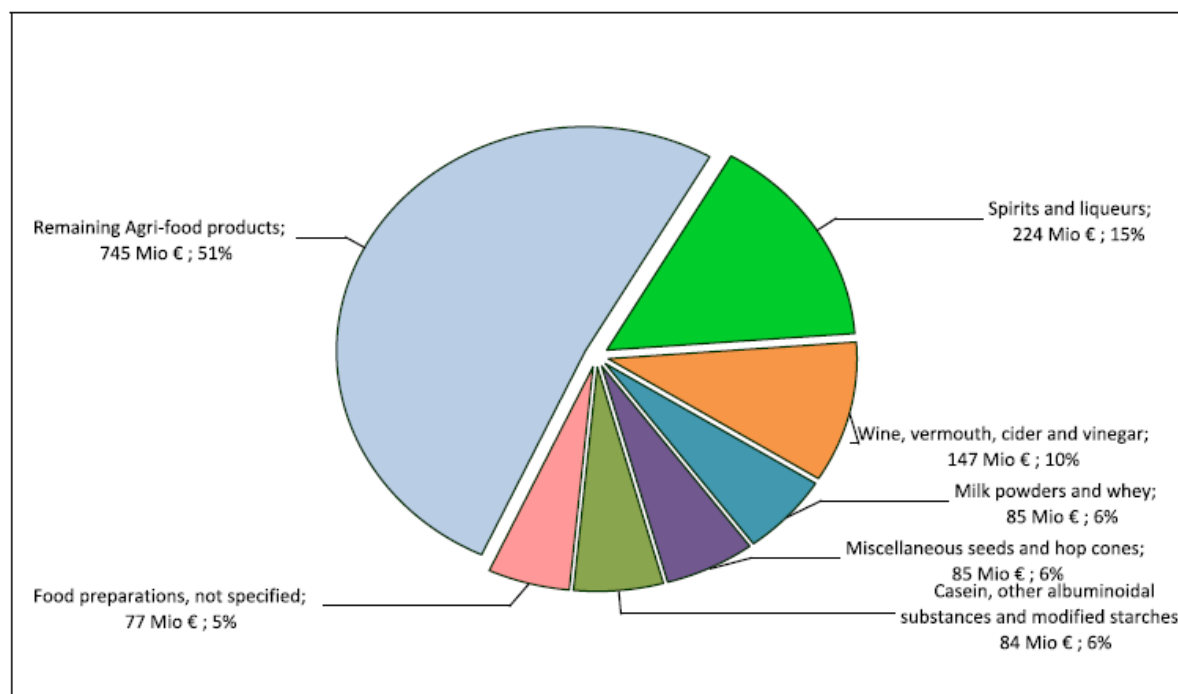
Figure 3-1: Structure of EU agri-food trade with Mexico, 2007 to 2017



Source: European Commission: agri-food trade statistical factsheet, European Union – Mexico. Based on Eurostat-COMEXT data

Key EU exports to Mexico include: spirits and liqueurs (15% of exports by value); and wine, cider and vermouth (10%). These are followed by milk powders/whey; miscellaneous seeds; and casein / other albuminoidal substances (each 6%). Notable categories captured under “remaining agri-food products” include food preparations, pet food, olive oil and cheese (Figure 3-2).

Figure 3-2: Top EU agri-food exports to Mexico in 2017



Source: European Commission: agri-food trade statistical factsheet, European Union – Mexico. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

As noted in section 3.1.2, while Mexico is overall a net exporter of food, there are sectors for which it relies heavily on imports to meet its food demands. Four categories: meat; cereals; oilseeds; and the combined category of dairy, eggs and honey account for around half of agri-food and seafood imports in value terms²². While these major categories primarily reflect structural shortages of widely-consumed products, higher end agri-food products also play an increasingly important role among imports, spurred by the growth of demographics interested in such products.

3.2 Growth Drivers and Trends

The key factors affecting the food and beverage market are:

- **Changes in demographic factors** – this is effectively three pronged. Firstly, the population of Mexico has grown steadily over recent years, creating an increase in demand for food overall. That said, the fertility rate has fallen in recent years and is forecast to reach the replacement rate

²² <http://www.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/competitive-trade-analysis-mexico/?id=1442256317206>

The vast majority of the category dairy, eggs and honey is accounted for by dairy and eggs. Imported honey volumes are only a small fraction of this category.

of 2.1 in 2019 with a corresponding impact on population growth. Secondly, the middle class has grown, leading to corresponding changes in patterns of consumption. Thirdly, the number of single person households is increasing quickly, with corresponding impacts on consumption patterns²³.

- **Advances in domestic agri-food production** – as noted above, considerable efforts have been put into increasing domestic agri-food production in recent years; and subsequently the volume of food produced in Mexico in 2017 was 12% superior to the volume produced in 2012; though the volume of food exported has increased more quickly than that of food produced, at least partly due to work on food safety²⁴.
- **Concerns about the high level of obesity** – while a fairly recent phenomenon, obesity rates have increased rapidly since the 1980s, and according to 2015 data from the OECD, Mexico is the country with the second highest obesity rate among adults in the world (after the US). The obesity rate among children is also believed to be very high. This has in turn led to some changes of attitude with regards to food²⁵.

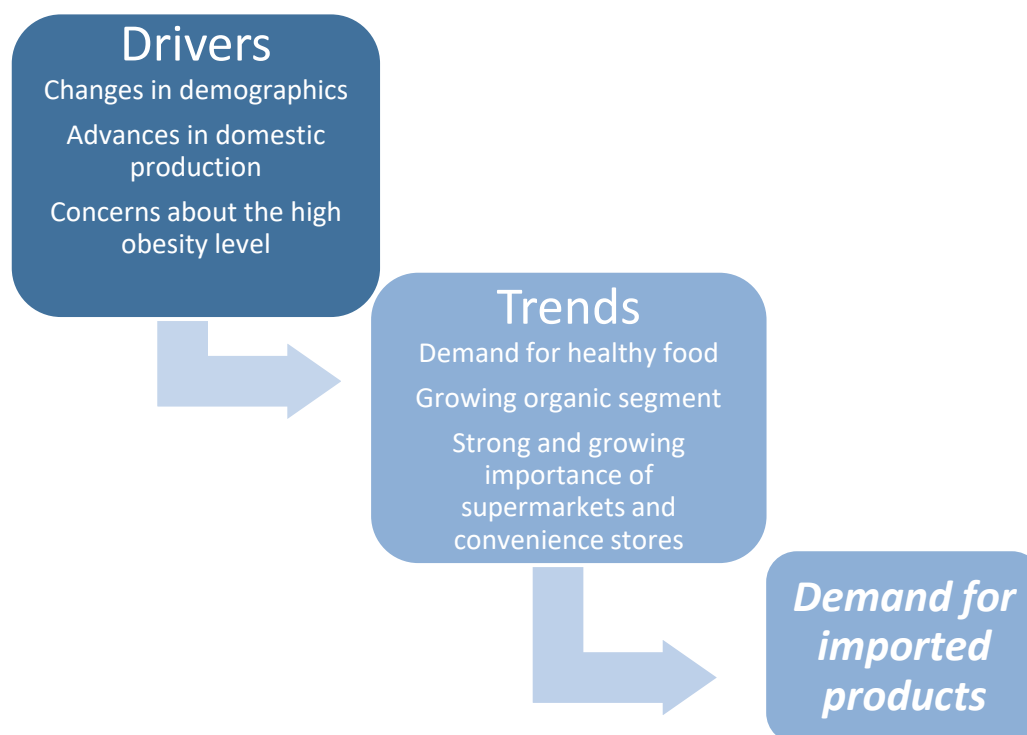
Figure 3-3 presents an overview of the interlinkages between drivers and trends.

²³ Euromonitor international: Consumer lifestyles in Mexico, 2018

²⁴ <https://www.gob.mx/presidencia/en/articulos/mexico-world-power-in-agri-food-production>

²⁵ OECD Obesity update 2017: <https://www.oecd.org/els/health-systems/Obesity-Update-2017.pdf>; <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5743111/>

Figure 3-3: Growth drivers and trends – the Mexican food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; USDA GAIN reports, agriculture and agri-food Canada reports, Food Valley Ambassadors' Programme and Euromonitor International.

In terms of trends, the following stand out:

- **Demand for healthy food**– the concerns about the high level of obesity have led to a concerted effort to tackle it, including through the consumption of healthier foods. The Mexican government, for their part, introduced a tax on sugar/sweetened beverages in 2014. This effort to tackle obesity through diet has had knock on effects on consumer food preferences; more attention is being paid to the content of foods; and higher interest in food products with functional benefits e.g. probiotics, which can assist digestive health²⁶.
- **Growing organic segment** – partially connected to the previous point, there has been more interest in organic products. Though mainly for export, organic production in Mexico has increased significantly in recent years. While domestic demand for organic lags production and there is confusion over what can and cannot be certified as organic, this domestic demand is increasing, particularly among the middle class.
- **Strong and growing importance of supermarkets and convenience stores** – supermarkets and convenience stores have been important in Mexico for several years, and to different extents is used by most sectors of society. However, the growth in the middle class has provided a further

²⁶ Euromonitor international: Consumer lifestyles in Mexico, 2018; <https://www.foodvalleysociety.com/wp-content/uploads/2017/03/Trends-in-the-agrifood-sector-in-Mexico-Salvador.pdf>

boost to the importance of these channels. It is estimated that ¼ of consumer retail expenditure occurs in convenience stores; and the stores are adjusting their offerings in order to fit consumer needs at different times of the day.

Further details on consumer profiles and preferences are presented in section 3.3.

3.3 Consumer profiles and preferences

3.3.1 Consumer profiles

Consumer groups in Mexico can be divided on the basis of income²⁷:

- **Affluent / high earners** (5 to 10m approx.; with under 3m falling into the class of very wealthy). This group broadly corresponds to the AB socio economic class, which has an average household income in excess of 45 000 EUR per year. Intergenerational wealth is common in this group (i.e. wealth which spans back several, and in some cases many generations). These consumers tend to source food from higher end mass grocery retail and from gourmet shops, but increasingly also purchase products overseas in some cases. Exclusivity can be an important criterion in the purchase decision. This group has shown increasing interest in organic products in recent years, with one survey identifying that approximately 6 in 10 consumers from this group buy organic fruit and vegetables.
- **Middle class** (50m approx. / over 15m households). Middle class households are generally considered to have an income of 13 000 to 40 000 EUR per year. The middle class is predominantly urban based and work in formal employment, generally in skilled roles. These consumers tend to buy food from mass grocery retailers and convenience stores; but also from markets to some extent. They are quite sensitive to any changes in income, including through taxation, and often will look for bargains when shopping in supermarkets. While they consume some imported food and beverage products, this price sensitivity means their consumption can be cyclical (in periods income falls or uncertainty, imported products will be towards to top of the items they stop purchasing).
- **Lower purchasing power consumers and the poor** (60 m approx). A large group which spans from those which may be considered the emerging middle class (with an average household income of around 8 000 EUR) to those that live in moderate poverty or lower conditions. Subsequently this group spans the formal employment sector, informal employment sector and subsistence sector. They can be found across the country, though poverty is particularly prevalent in the south of the country. One characteristic they have in common is that they are all limited in their purchasing

²⁷ <http://www.elfinanciero.com.mx/rankings/graficas-que-te-explican-la-clase-media-en-mexico>;
<https://expansion.mx/economia/2015/10/27/que-significa-ser-clase-media-en-mexico>;
<https://www.entrepreneur.com/article/264837>;
<https://www.informador.mx/Economia/En-Mexico-1.7-de-poblacion-es-de-clase-alta-y-59.1-de-clase-baja-20130612-0193.html>;
<https://www.rankia.mx/blog/mejores-opiniones-mexico/3187595-ingresos-hogares-por-nivel-socioeconomico> ;
<https://expansion.mx/mi-dinero/2014/10/15/los-ricos-en-mexico-cambian-su-paradigma-de-lujo>

power. They will tend to purchase in street markets, wholesale markets and convenience stores; and subsistence farming is common among some parts of this group. Price is a key factor in the purchasing decision.

In addition, it is worth noting certain demographic trends and their impacts on consumer groups²⁸:

- **Single person households and couples without children.** As noted in section 2.1.3, the fertility rate in Mexico is declining. Two of the reasons for this are the increases in single person households, and of couples without children. These two demographics therefore make potentially interesting consumer groups. Over ¼ of households in Mexico – whether composed of single people or couples - do not contain children. Furthermore, the share of households without children has shown a consistent upward trend in recent years. Among the single person household demographic, the 20-29 age range is particularly important; almost 10m Mexicans in this age range are single. Both these demographics have the attraction that they can choose to spend all their money on themselves – unlike couples with children. They may therefore choose to purchase luxury products, including gourmet food products. Consumers in the single young, single person demographic may be interested in fast and convenient food solutions.
- **School age children over 8.** Among families with kids, those with school-age children over the age of 8 form an interesting demographic that represents around 15% of the population of Mexico. The current generation of this demographic has more access to information than previous generations, and subsequently is maturing more quickly. Consequently, they can have a notable influence on the purchasing decision of the family; though the ultimate decision generally remains with the parents.

3.3.2 Cultural Sensitivities and Other Considerations

3.3.2.1 Eating patterns

Traditionally, Mexicans fit work around eating, rather than vice-versa; which can lead to elongated working hours. The most important meal of the day, lunch (*comida*) is typically eaten early to mid-afternoon (i.e. sometime between 1 and 4 / 5pm), with a long break often taken for this meal. It typically comprises multiple courses. A lot less importance is placed on dinner (*cena*) on the other hand. In addition to breakfast (*desayuno*) which may be light, Mexicans often eat a second breakfast mid-morning (*almuerzo*)²⁹.

3.3.2.2 Spice and palate

Mexican food is generally considered a fusion of indigenous and Spanish foods, with the indigenous palate believed to be orientated towards bitter tastes, and the Spanish subsequently introducing more sweet

²⁸ Euromonitor international: Consumer lifestyles in Mexico, 2018; <https://www.entrepreneur.com/article/264837>; http://cedoc.inmujeres.gob.mx/documentos_download/MHM_2016.pdf;

<http://mundoejecutivo.com.mx/actualidad/2017/06/29/hogares-sin-hijos-alza-pais>

²⁹ <https://ixtapacantina.com/mexican-eating-habits-you-didnt-know-about/> ; <https://www.tripsavvy.com/meals-and-mealtimes-in-mexico-1588864>

and sour tastes. Indigenous ingredients remain important in the modern-day cuisine, including most notably different types of chile – *jalapeno* arguably being the most important. Among the foods introduced by the Spanish, lime (*limón*) stands out as a food, which has become key to the modern-day cuisine, with an average annual consumption of 13 to 17kg of lime per person per year in Mexico. These two ingredients have become key to the Mexican palate, with a preference for intense flavours, including notably the spice/heat and bitterness brought by these ingredients. The widespread use of *salsa* - which commonly combines these ingredients into a sauce with others including tomatoes, onions and coriander – demonstrates this preference for intense flavours including spice/heat. It is estimated that over 90% of Mexicans use salsa with their food³⁰.

3.3.2.3 Celebrations and festivals

Important celebrations and festivals with particular relevance to the food market are:

- **Christmas** – the range of foods eaten at Christmas is wide and varies across the country, though turkey is popular, as is food and drink, which use apples as an ingredient. Gifts are also common during this period. As Mexicans are more likely to consume higher end products (including cured ham, quality cheeses and wines) at Christmas, this period of the year may be considered a strategic one for GI products.
- **Mother's Day** (10th May), during which mothers normally receive gifts, with chocolate among the more popular ones. Restaurants tend to be busy around this period and subsequently there is also high demand for quality products from the catering business.
- **Día de los Muertos** (2nd November), during which food/drink is both consumed and left at the graves of those who have passed. Certain traditional foods such as *tamales* (a corn dough-based food steamed in leaves or husks) are more commonly left, as well as the ancestor's preferred food/drink.

3.3.2.4 Regional differences and diverse influences

While around 99% of the population of Mexico was born in the country, it is an ethnically diverse country with different geographical regions. In terms of ethnic diversity, in addition to those from Europe, immigrants from the Arab world, Asia and Caribbean have joined, and often mixed with the indigenous population. These groups have brought foods with them - Arab immigrants in particular – and subsequently influenced the cuisine. Furthermore, there are differences between regions in the foods consumed; both due to the traditional availability of ingredients, and the impact of outside influences on the region. With livestock farming, ranching in particular important in the north of Mexico, meat (beef in particular) and dairy are important features of the cuisine. Pork and corn-based dishes with spices are important in the west, while seafood is common in coastal areas. Food in the Yucatan peninsula is based on traditional Mayan cuisine, often using tropical fruits, with influences from European, Arab and

³⁰ <http://latinamericanhistory.oxfordre.com/view/10.1093/acrefore/9780199366439.001.0001/acrefore-9780199366439-e-260>; <https://www.mexico.mx/es/articles/gastronomia-mexicana-limon-ingrediente>; <https://www.yucatan.com.mx/imagen/92-los-mexicanos-acompana-alimentos-salsa>

Caribbean cuisines; and hence is substantially different from that found further north. As an area of high immigration, food Mexico City reflects the various different types of food found across the country.

4 Market access and entry

This section provides details on the necessary requirements for entry in to the Mexican market, outlining existing market access restrictions and explaining procedures. The summary, containing the SWOT analysis, of market access and entry is presented in section 4.1.

4.1 Summary SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Large market. • Well-developed logistical services and transportation infrastructure. • Large middle class; plus, a small but notable market of affluent consumers. 	<ul style="list-style-type: none"> • High level of agri-food production; self-sufficiency in many agri-food categories. • Price a key purchase criterion for many agri-food commodities aimed at the mass market. • Limited knowledge of many EU agri-food products. • Fragmented distribution system. • Strict customs procedures. • Some challenges around IPR issues.
Opportunities	Threats
<ul style="list-style-type: none"> • EU-Mexico modernised Trade Agreement enhancing protection of GIs, ensuring duty-free import of most EU products and alleviating SPS barriers for fruit, vegetable and animal product imports. • Signs of interest in diversifying away from its heavy reliance on the US for imports. • Opportunities among some processed products for which either there is a shortage in Mexico, or factors other than price are important considerations. • Increased focuses on healthy food and on convenience. 	<ul style="list-style-type: none"> • US is the dominant agri-food exporter to Mexico; and also has a cultural impact on some regional markets (e.g. Monterrey). • Mexico has concluded trade agreements, including FTAs, with several countries. • Continued aims to increase agricultural production and hence indirectly further reduce the need for imports (though this primarily relates to staple foods outside the main product categories of EU exporters).

4.2 Food and beverage legislation and regulations

4.2.1 Import requirements/restrictions, customs procedures and documentation

Import requirements/restrictions

The starting point for European enterprises is to register to the Mexican Register of Importers (*Padrón de Importadores*), handled by the Secretariat of Finance and Public Credit (SHCP). The request can be

presented electronically or in paper form (see box below), and presupposes the fulfilment of some requirements, including the Federal Taxpayers Registration.

The electronic inscription to the Mexican Importers Registry can be completed by clicking here:

<https://www.sat.gob.mx/tramites/46063/inscribete-en-el-padron-de-importadores>

(Only available in Spanish)

The inscription can alternatively be presented in paper through the form below:



Solicitud de Inscripción al Padrón de Importadores y/o al Padrón de Importadores de Sectores Específicos.

A)

FECHA EN QUE SE PRESENTA: DÍA ____ MES ____ AÑO ____

CLAVE DEL REGISTRO FEDERAL DE CONTRIBUYENTES

PERSONA FISICA PERSONA MORAL

LLENAR CON TINTA NEGRA O AZUL, CON BOLIGRAFO

PITEX <input type="checkbox"/>	CONTROLADA <input type="checkbox"/>	ORGANISMO GUBERNAMENTAL <input type="checkbox"/>	EMPRESA QUE DICTAMINA ESTADOS FINANCIEROS <input type="checkbox"/>
MARQUE CON UNA "X" SI ES:			
ECEX <input type="checkbox"/>	CONTROLADORA <input type="checkbox"/>	MAQUILADORA <input type="checkbox"/>	EMPRESA QUE INICIA OPERACIONES O SE ENCUENTRA EN PERIODO PREOPERATIVO <input type="checkbox"/>
DATOS DE IDENTIFICACION			
APELLIDO PATERNO, MATERNO, NOMBRE (S), O DENOMINACION O RAZON SOCIAL			
CALLE	NUMERO Y/O LETRA EXTERIOR	NUMERO Y/O LETRA INTERIOR	
COLONIA	CODIGO POSTAL	TELEFONO	
LOCALIDAD	MUNICIPIO	ENTIDAD FEDERATIVA	
GIRO O ACTIVIDAD PREPONDERANTE: _____			

B)

DOMICILIO DE BODEGAS DONDE SE MANTENDRAN LAS MERCANCIAS A IMPORTAR			
CALLE	Nº. Y/O LETRA EXTERIOR	Nº. Y/O LETRA INTERIOR	ENTRE LAS CALLES DE _____ Y DE _____
COLONIA	CODIGO POSTAL	TELEFONO	
LOCALIDAD	MUNICIPIO	ENTIDAD FEDERATIVA	
NOMBRE DEL O DE LOS SECTORES EN LOS QUE DESEA INSCRIBIRSE Y LA O LAS FRACCIONES ARANCELARIAS CORRESPONDIENTES			
SECTOR O SECTORES		FRACCION O FRACCIONES ARANCELARIAS	
<input type="text"/>		<input type="text"/>	

C)

DATOS DEL REPRESENTANTE LEGAL DE LA EMPRESA	
APELLIDO PATERNO, MATERNO, NOMBRE(S) _____	CLAVE DEL REGISTRO FEDERAL DE CONTRIBUYENTES <input type="text"/>
DECLARO BAJO PROTESTA DE DECIR VERDAD QUE LOS DATOS ASENTADOS SON REALES Y EXACTOS	
FIRMA DEL CONTRIBUYENTE O REPRESENTANTE LEGAL _____	
IMPORTANTE	
INSTRUCCIONES GENERALES EN EL REVERSO DE ESTA SOLICITUD.	

ESTE FORMATO DEBE ESTAR TOTALMENTE REQUISITADO, CON FIRMA AUTOGRAFA Y SE PRESENTA POR DUPLICADO.

Anverso

Apart from the import licence (*Pedimento de Importación*), which is a starting point for the customs procedure, several other documents are needed to clear shipments through customs, as laid down in the Custom Law³¹:

- Commercial invoice or equivalent document (in Spanish);
- Bill of Landing;
- Sanitary or Phytosanitary Certificates for plant and animal products, as well as processed products (human health);
- Compliance with no-tariff restrictions document;
- Certificate of Origin;
- Land or Air Shipment Guide;
- Documents demonstrating guarantee of payment of duties and additional duties for undervalued goods, if applicable;
- Documents demonstrating compliance with Mexican product safety and performance regulations, if applicable.

A detailed list of the needed documentation to import into Mexico can be found here:

http://omawww.sat.gob.mx/aduanas/importando_exportando/guia_importacion/Paginas/documentos_que_deben_presentarse_en_importacion.aspx

In order to avoid problems during the border entry and inspection process, it is **highly recommended to work with a qualified Mexican customs broker**, who is accredited by the Mexican Internal Tax Registry (*HACIENDA y Crédito Público*).

4.2.2 Food safety and other food certification requirements

The Federal Law of Metrology and Normalisation (*Ley Federal sobre Metrología y Normalización*) establishes, among others, the key requirements for products, raw materials, labelling, testing, packaging, facilities, as well as safety and hygiene. Under Federal Law of Metrology and Normalisation, the Ministry of Health (*Secretaría de Salud*, or SALUD) is responsible for establishing regulations on human health, while the Ministry of Agriculture (Secretaría de Agricultura y Desarrollo Rural, or SADER) through its department of SENASICA (Servicio Nacional de Sanidad, Inocuidad y Calidad Agroalimentaria) is responsible for legislating on animal and plant health issues.

With regards to food safety, key rules are published, under the name of **Mexican Official Standards (Normas Oficiales Mexicanas, or NOMs)**, in the official journal. Mexico's Ministry of the Economy (Secretaría de *Economía*) is responsible for the overall management of standards, including food safety

³¹Reglamento de la Ley Aduanera - Título Primero, Generalidades
http://www.dof.gob.mx/nota_detalle.php?codigo=5389356&fecha=20/04/2015

standards, through its General Department of Standards (*Dirección General de Normas, or DGN*). NOMs are coded by subject and are scheduled for revision every five years.

Imported products must comply with the relevant NOMs. In this regard, importers are required to hold a NOM certificate or authorisation issued by the competent agency or an accredited certification body, in accordance with Article 53 of Federal Law on Metrology and Standardisation.

Mexico's NOM-120

Imported food and beverages must comply with [NOM-120-SSA1-1994](#) on hygienic and sanitary practices processed food and beverages, including alcoholic beverages (*Prácticas de higiene y sanidad para el proceso de alimentos, bebidas no alcohólicas y alcohólicas*).

This piece of legislation indicates requirements for processing, manufacture, mixing, conditioning, packaging, preservation, storage, distribution, handling and transport of food and beverages, as well as their raw materials and additives, in order to reduce the health risks for consumers.

Hygienic and sanitary requirements include provisions for:

- raw materials, manufacturing and transport conditions.
- workers coming to direct contact with food;
- physical installations which are likely to help contaminate food, including sanitary installations;
- pest control, cleaning and disinfection.

Additional key regulations applicable to imported food and agricultural product are outlined below.

- The **General Health Law** ([Ley General de Salud](#)) foresees the possibility to require prior import authorisation based on health risks. In such a case, the importer is requested to show all the required documentation demonstrating compliance with the Mexican General Health Law, including a health certificate issued by competent authorities in the country of origin. The Ministry of Health may also randomly inspect imported goods to ensure compliance with Mexican standards.
- The **Animal Health Law** ([Ley de Sanidad Animal](#)) allows SADER to establish a list of substances or products whose use or consumption by animals is prohibited, as well as establishing maximum levels of contaminants. Zoosanitary standards to import animal products are listed in the Zoosanitary Requirements Module ([Módulo de consulta de requisitos para la importación de mercancías zoonitarias](#)). Establishments must be authorised for export to Mexico, and as part of this process foreign production sites must be checked by Mexican Officials before they are authorised to export. The system for this is being somewhat simplified under the updated EU-Mexico trade agreement (see section 5.12.4 for more information on both these systems).
- The **Plant Health Law** ([Ley de Sanidad Vegetal](#)) authorises SADER to require phytosanitary certificates for imports likely to host diseases or pests. Phytosanitary requirements to import plant, fruit, and vegetable products are available online through the Phytosanitary Requirements Module ([Módulo de consulta de requisitos fitosanitarios para la importación de mercancía de](#)

origen vegetal)³². There are inspection requirements for production sites of fruit and vegetable imports; under these, producers are annually inspected by Mexican official at origin (pre-clearance), and after three years of checks without any incident they are shortlisted. This process is being simplified under the updated EU- Mexico trade agreement, with the elimination of pre-clearance. In addition to the plant health law, there are NOMs relating to the presence of pesticides (NOM 232) and maximum residue levels (NOM 082).

- **Agreement on the use of additives and co-adjuvants in food** ([recently updated by this agreement](#)). This lists additives, the food categories they can be used for and the maximum amounts.
- **Agreement establishing the classification of goods which are subject to regulation by the Ministry of the Environment and Natural Resources** ([available here](#)). This piece of legislation identifies a small number of certain, generally very specific goods identified by 8-digit HS code which are subject to regulation by the ministry of Environment and Natural Resources. It is therefore not relevant nor to agri-food products as a whole, neither to product categories as a whole. Once the 8-digit HS code under which goods will be imported to Mexico is known, this piece of legislation or the EU Market Access Database can be checked.
- **Law on organic foods** ([Ley de productos orgánicos](#)), which is only relevant if organic products are being imported into Mexico. Currently, an equivalence agreement for organic products is being negotiated.

4.2.3 Labelling Requirements

All food and beverage products imported into Mexico must follow the labelling rules laid down in:

- **Norma Oficial Mexicana 051 (NOM-051-SCFI/SSA1-2010):** *Especificaciones Generales de Etiquetado Para Alimentos y Bebidas no Alcohólicas Preenvasados: Información Comercial y Sanitaria, concerning packaged food and non-alcoholic beverage labelling;*
- **Norma Oficial Mexicana 142 (NOM-142-SSA1/SCFI-2014):** *Bebidas alcohólicas. Especificaciones sanitarias. Etiquetado sanitario y comercial, concerning alcoholic beverages labelling.*

Furthermore, specific labelling requirements are available for some products, such as meat (NOM-030-ZOO-1995, NOM-034-SSA1-1993, and NOM-122-SSA1-1994), as well as milk and dairy products (NOM-243-SSA1-2010). More details are outlined in sections 5.12, 5.3 and 5.9.

Table 4-1: Main labelling requirements for food and beverages (including alcohols), under NOM-051 and NOM-142

Regulation	Labelling language	Main labelling requirements
Norma Oficial Mexicana	Spanish: Information in English may appear on the label, but	<ul style="list-style-type: none"> • Product name and description • Brand Name • Exporter's name and address

³² USDA Gain Report: Food and Agricultural Import Regulations and Standards Mexico 2013, https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulation%20and%20Standards%20Mexico%202013_Mexico%20ATO_Mexico_1-23-2014.pdf

Regulation	Labelling language	Main labelling requirements
051 Packaged food and non-alcoholic beverages labelling	the relevant information must be in Spanish.	<ul style="list-style-type: none"> Country of origin (e.g. <i>Hecho en...; Producto de ...; Fabricado en ...</i> etc.) Importer's name, address and taxation number Manufacturer information List of Ingredients Net Content/Drained Mass Batch Number Expiration Date Nutritional Information
Norma Oficial Mexicana 142 Alcoholic beverages labelling	Spanish: Information in English may appear on the label, but the relevant information must be in Spanish.	<ul style="list-style-type: none"> Requirements set out in NOM-051 Alcoholic beverages containing alcohol of 2%-55% by volume are required to display (a) (b): <ul style="list-style-type: none"> The statement "<i>el abuso en el consumo de este producto es nocivo para la salud</i>" (abuse in the consumption of this product is harmful to your health). The label must be easily legible, in contrasting colours and capital letters. Alcohol content. Percentage of volume of alcohol at 20°C using the following abbreviations: % Alc. Vol.; % Alc Vol; % alc. vol.; % alc vol. For Brandy, the word "Brandy" in an obvious way and the statement, "100% de uva" (made 100% with grapes), which must be true.


Note (a): regarding products sold in **multiple package**, the information contained in NOM-051 must be located on the package, except for the batch number and the expiration date which must appear on each product. The package must include the statement "No etiquetado para su venta individual" ("Not Labelled for Individual Sale").

Note (b): in accordance with Norma Oficial Mexicana 199, or NOM-199-SCFI-2017, if the common or scientific name of the raw material is used as commercial information on the main display surface, the alcoholic beverage will be three times smaller than the size of the denomination.

Sources:

NOM-051, http://www.dof.gob.mx/nota_detalle.php?codigo=5137518&fecha=05/04/2010

NOM-142, http://dof.gob.mx/nota_detalle.php?codigo=5386313&fecha=23/03/201

Organic Labelling	
	<p>Organic products are subject to general labelling requirements (NOM-051 and NOM-142), as well as to the rules and requirements for organic agriculture certification which were introduced in 2013 ("<i>Acuerdo por el que se da a conocer el distintivo nacional de los productos orgánicos y se establecen las reglas generales para su uso en el etiquetado de los productos certificados como orgánicos</i>"). The official organic seal, which is illustrated on the left, can be bared by products that fulfil the requirements laid down in the Organic Products Law (Ley de Productos Orgánicos).</p>

Note: the logo indicated above is that of SAGAPRPA, the predecessor to SADER (the change of ministry name occurred following the December 2018 assumption of office of the new government). The label may therefore change in the future.

Labelling guidelines for organic products can be found at:

http://www.dof.gob.mx/nota_detalle.php?codigo=5319617&fecha=25/10/2013

4.2.4 Protection of intellectual property rights and GIs

Mexico follows the existing international frameworks on the matter of IPR issues, and has ratified a number of international treaties, including the TRIPS agreement, the World Intellectual Property Organization (WIPO) Copyright Treaty (2004), the Patent Cooperation Treaty, the Lisbon Agreement for the protection of appellations of origin, and the Paris Convention for the Protection of Industrial Property (1967).

Intellectual Property Rights in Mexico are governed by the Industrial Property Law ([Ley de la Propiedad Industrial](#)) and the Federal Copyright Law ([Ley Federal del Derecho de Autor](#)), whose implementation is handled by various bodies, as reported in section 4.2.5.

In Mexico, IPR violations are fairly widespread in the broader context, resulting in significant losses to companies. The Mexican government has encountered difficulties with the IPR enforcement due to some legislative gaps, lack of coordination between federal, state, and municipal authorities, as well as a prevalent acceptance of piracy and counterfeiting.

In order to protect your IPR, it is hence important to register and enforce your rights in Mexico, under local laws. In this regard, companies are recommended to seek advice from local attorneys or consultants who are experts in Mexican IPR law³³; the Latin America IPR SME Helpdesk also provides support to SMEs in matters of IPR (see box below).

³³ US Export.gov: Mexico - Protecting Intellectual Property, <https://www.export.gov/article?id=Mexico-Protecting-Intellectual-Property>



The IPR SME Helpdesk for Latin America provides a service called “Ask our expert a question” (see also section 8.1)

Email: helpline@latinamerica-ipr-helpdesk.eu

Tel: +34 96 590 9684

Online form: <http://www.latinamerica-ipr-helpdesk.eu/fr/user/login?destination=node/add/helpline-question>

Check also IPR SME Helpdesk’s FAQs on IPR issues:

<http://www.latinamerica-ipr-helpdesk.eu/fr/faqs>

SMEs are also encouraged to work together with trade associations and organisations with the aim of protecting and stop counterfeiting. Key international organisations in the IPR field are set out below:

- European Chambers of Commerce in Mexico
- European Communities Trade Mark Association (ECTA)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- International Anti-Counterfeiting Coalition (IACC)

The modernised EU-Mexico Trade Agreement improves the protection in Mexico of intellectual property owned by EU companies. This includes making it illegal in Mexico to sell counterfeit food and beverages from specific regions in the EU, such as Champagne, Parma ham and Balsamic Vinegar from Modena (see below)³⁴.

Mexico’s Geographical Indication (GI) protection system

Mexico distinguishes between Geographical Indications (GIs) and Designations of Origin (DO). However, unlike EU regulation for GIs, in Mexico the establishment of GIs is not linked to any Agricultural or Food agency. The Ministry of Economy is the body in charge of establishing the regulatory norms that define the provisions once GIs are granted. Furthermore, while EU regulations provisions separate appellations of origin for foodstuffs and agricultural products and for wines and spirits, Mexico offers only one category for all kinds of products³⁵. Currently, 16 Mexican products (agricultural and non-agricultural) are registered as Designation of Origin, including Tequila and Mezcal; the Industrial Property Law provides for the protection of these products in the domestic and international markets³⁶.

³⁴ EU-Mexico Trade Agreement- Factsheet: http://trade.ec.europa.eu/doclib/docs/2018/april/tradoc_156755.pdf

³⁵ Geographical Indications in Mexico, a comparative assessment. Part II, <https://medium.com/inteliprix/geographical-indications-in-mexico-a-comparative-assessment-part-ii-9fd4873db3e8>

³⁶ Denominaciones de Origen e Indicaciones Geográficas, <https://www.gob.mx/impi/acciones-y-programas/servicios-que-ofrece-el-impi-marcas-denominaciones-de-origen-e-indicaciones-geograficas>

The 1997 Spirits Agreement³⁷ recognises and provides protection to 217 European Union's GIs (alcoholic beverages)³⁸, and once the modernised Trade Agreement will enter into force 340 more European agricultural products (145 wine + 195 food products) will be recognised and protected as GIs (see box below; further details are provided in section 4.3.2.1). A detailed list of European products which are registered or set to be registered as GIs under the modernised EU-Mexico Trade Agreement can be found in section 9. The expectation is that this list of GIs protected under the modernised EU-Mexico Trade Agreement will be periodically updated, hence providing the opportunity for new GIs to seek protection. Finally, Mexico is also one of 28 signatories to the Lisbon System; appellations of origin registered by other signatories under this system are therefore protected in Mexico³⁹.

The Protection of GIs under the modernised EU-Mexico Trade Agreement

With regard to the 340 products which are set to be registered in Mexico as GIs, the [Chapter on Intellectual Property Rights](#) (Article 8) of the modernised EU-Mexico Trade Agreement provides that:

*“The **geographical indications** [...], shall be **protected against**:*

- a) *any direct or indirect **commercial use of a protected name**:*
 - *for comparable products not compliant with the product specification of the protected name, or*
 - *in so far as such use exploits the reputation of a geographical indication;*
- b) ***any misuse, imitation or evocation**, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’, ‘flavour’, ‘like’ or similar, including when those products are used as an ingredient;*
- c) *any other **false or misleading indication as to the provenance, origin, nature or essential qualities of the product**, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin, including when those products are used as an ingredient;*
- d) *any other **practice liable to mislead the consumer as to the true origin of the product.**”*

4.2.5 Relevant authorities for IPR and GI protection

Competent Authorities for IPR and GI protection

³⁷ Agreement between the European Community and the United Mexican States on the mutual recognition and protection of designations for spirit drinks:

https://eur-lex.europa.eu/resource.html?uri=cellar:30da3b97-660b-4c8f-8822-4e0c3cda302c.0004.02/DOC_2&format=PDF

³⁸ The original list contained 222 spirits but has subsequently been updated and currently contains 217 spirits. A further update process for this list is currently ongoing.

³⁹ EU MS signatories are : Bulgaria, Czech Republic, France, Hungary, Italy, Portugal and Slovakia. Appellations from these EU MS protected under this system can be found here: <https://www.wipo.int/ipdl/en/lisbon/lisbon-map.jsp> and more information on the Lisbon system here: <https://www.wipo.int/lisbon/en/>

IMPI - Instituto Mexicano de la Propiedad Industrial (Mexican Institute of Industrial Property)

Director General: Mr. Miguel Ángel Margáin

Address: Periférico Sur 3106, Jardines del Pedregal, Ciudad de México. C.P. 01900

Tel: +52 (55) 5624 0401/04

Emails: buzon@impi.gob.mx ; mmargain@impi.gob.mx ; mvillelag@impi.gob.mx

Website: <https://www.gob.mx/impi>

INDAUTOR - Instituto Nacional del Derecho de Autor (National Institute of Copyright)

Director General: Sr. Manuel Guerra Zamarro

Address: Puebla No. 143, Col. Roma, Del. Cuauhtémoc, 06700 México, D.F.

Tel: +52 (55) 3601 8270

Email: mguerra@sep.gob.mx

Website: <http://www.indautor.gob.mx/>

4.3 International trade

4.3.1 Mexico and foreign trade

The Ministry of Economy (*Secretaría de Economía*) is in charge of Mexican international trade relations. Through the involvement in multilateral organisms and trade agreements, the Ministry of Economy primarily aims at boosting Mexico's economic growth (see box below). The country's high dependence on the United States as an export market is another strong motivation for seeking trade agreements with third countries⁴⁰.

Mexico's international trade goals

With regard to international trade, Mexico's Ministry of Economy gives priority to:

- **Negotiating new trade and investment agreements**, in order to diversify the country's international trade and consolidate its role as a leading exporting country as well as investment destination.
- **Properly managing the concluded trade and investment agreements**, to support Mexico's economic growth.
- **Defending Mexico's trade interests abroad.**
- **Representing Mexico in multilateral and regional organisms and forums**, to monitor the fulfilment of international trade policy commitments⁴¹.

Mexico is an active member in multilateral and regional organisms and forums such as the World Trade Organization (WTO), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the Asia-

⁴⁰ CRS Report: Mexico's Free Trade Agreements, <https://fas.org/sgp/crs/row/R40784.pdf>

⁴¹ Gobierno de Mexico: Comercio Exterior, <https://www.gob.mx/se/acciones-y-programas/comercio-externior>

Pacific Economic Cooperation (APEC), the Organization for Economic Cooperation and Development (OECD), the Pacific Alliance and the Latin American Integration Association (LAIA).

On top of that, Mexico is one of Latin American countries with the largest number of trade agreements (see section 4.3.2). So far, the country has concluded:

- 12 Free Trade Agreements (FTAs) with 46 countries;
- 9 Economic Complementation/Partial Scope Trade Agreements (within the LAIA framework);
- 32 agreements on reciprocal promotion and protection of investments with 33 countries⁴².

As a WTO Member, Mexico grants MFN treatment to all its trading partners, including non-WTO Members. Nonetheless, between 2009 and 2013, Mexico lowered tariffs on a wide range of goods, including food products, while simplifying customs procedures and reducing import costs. Such measures include the elimination of stringent import requirements as well as the creation of a single window for trade in 2012.

The country promotes its exports through different types of programmes, in particular the Programme for Industry, Manufacturing, Maquila and Export Services (IMMEX).

In Mexico, agricultural products accounted for 7.9% of total exports, and 7.2% of total imports in 2016. As indicated in section 3.1.2 the United States is the leading importers of agri-food products to Mexico, while most agri-food exports are intended for the US and EU markets⁴³.

4.3.2 Key trade agreements, present and future

As already indicated in section 4.3.1, Mexico is part of several multilateral and regional organisms and forums. On top of that, Mexico has concluded several Economic Complementation and Partial Scope Agreements, as well as Free Trade Agreements, as illustrated in Figure 4-1.

Mexico has entered into FTAs with several countries:

- **Americas:** Central America (Costa Rica, El Salvador, Honduras, Nicaragua, Panama), Pacific Alliance (Chile, Colombia, Peru), NAFTA⁴⁴ (Canada, United States), Panama, Uruguay;
- **Asia:** Israel, Japan;
- **Europe:** EFTA (Iceland, Liechtenstein, Norway, and Switzerland), European Union.
- **Asia-Americas:** CPTPP (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, New Zealand, Peru, Singapore and Vietnam)

⁴² Comercio Exterior / Países con Tratados y Acuerdos firmados con México, <https://www.gob.mx/se/acciones-y-programas/comercio-exterior-paises-con-tratados-y-acuerdos-firmados-con-mexico>

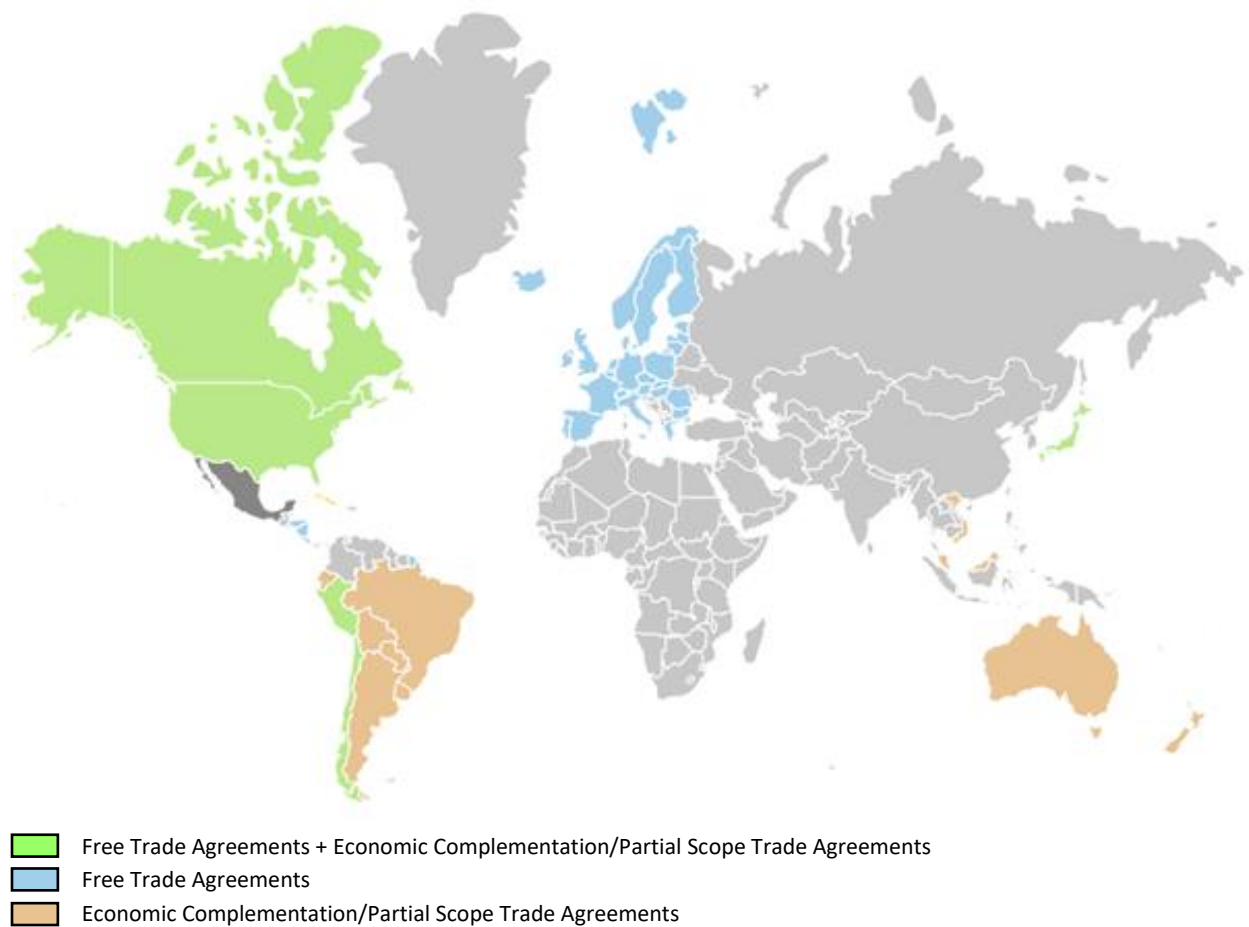
⁴³ WTO: Mexico Trade Profile, https://www.wto.org/english/res_e/statis_e/daily_update_e/trade_profiles/MX_e.pdf

⁴⁴ The USMCA was signed in November 2018 to supersede NAFTA, but has not yet entered into force as it is awaiting ratification.

As showed in Figure 4-1, further Economic Complementation and Partial Scope Agreements have been concluded with Ecuador and Bolivia, as well as with several other countries, within the framework of the LAIA:

- **MERCOSUR** (Argentina, Brazil, Uruguay, Paraguay).

Figure 4-1: Mexico's FTAs and EC&PSTAs



Source: AGRA CEAS based on CRS Report: Mexico's Free Trade Agreements, <https://fas.org/spp/crs/row/R40784.pdf>

Designed with Piktochart

4.3.2.1 The modernised EU-Mexico Trade Agreement

Figure 4-2 indicates that in 2017, Mexico continued to be one of the main trading partners in goods for the European Union. The value of European exports to Mexico exceeded EUR 38 billion, while imports stood at around EUR 24 million.

Figure 4-2: The EU-Mexico trade relationship in figures, 2017



Source: Agra CEAS based on The EU-Mexico trade and investment relationship factsheet, http://trade.ec.europa.eu/doclib/docs/2018/april/tradoc_156756.pdf

A 'Global Agreement' governing trade relations between Mexico and the European Union was firstly concluded in 2000. However, in May 2016, the two partners launched negotiations to renegotiate and modernise it. The 2000-agreement did not contain many provisions on trade in goods that have since become standard in trade agreements. It also did not liberalise or introduce TRQs for some products, notably within farming products and fisheries. The new agreement, the principles of which were concluded in April 2018, was therefore set to fill these gaps⁴⁵.

An agreement in principle was reached in April 2018, and at present work is being completed on the last outstanding requirement with the agreement scheduled for signing thereafter. The agreement would be presented as a 'mixed' one, which will hence require approval at both the EU and Member States level. Although all parliaments are predicted to give the green light to the agreement, according to the European Parliament ratification is expected under the new parliament (i.e. after the European elections in May 2019)⁴⁶.

The modernised EU-Mexico Trade Agreement is expected to benefit the European companies, in terms of:

- **Removal of customs duties and simplification of customs procedures:** tariffs will be eliminated for most products, including all processed agricultural products, blue cheese, apples and canned peaches, virtually all pork products, and economically relevant poultry products. Furthermore, customs procedures paperwork and physical checks at Mexican customs will be simplified. Most notably SPS barriers in the areas of fruit and vegetables and of meat will be relieved.
- **Protection of geographical Indication (GIs):** 340 GIs will be protected under the new agreement, along with the 217 spirits GIs which were protected under the 1997 Spirits Agreement. The full list of products registered or set to be registered as GIs in Mexico is reported in section 9.

⁴⁵ Key features of the EU-Mexico trade agreement, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1831>

⁴⁶ EP Legislative Train Schedule: Modernisation of the Trade Pillar of the EU-Mexico Global Agreement, <http://www.europarl.europa.eu/legislative-train/theme-a-balanced-and-progressive-trade-policy-to-harness-globalisation/file-modernisation-eu-mexico-global-agreement>

- **Focus on SMEs:** under the modernised agreement, Mexico will set up a website providing European Union’s SMEs with information to access the Mexican market. Furthermore, Contact Points in Mexico will work to facilitate the access of SMEs to the Mexican market⁴⁷⁴⁸.

4.3.2.2 Import tariffs

Current duty rates applied by the Mexican government are fairly high for some of the most important European agricultural products. However, the modernised EU-Mexico Trade Agreement is set to remove or sharply reduce tariffs on most food and beverages products. For example, following the entry into force of the modernised agreement:

- **Blue cheeses**, such as Gorgonzola and Roquefort, on which up to 20% import tariffs are applied at present, will gain **preferential access**; **many other cheeses** will gain access to the preferential market within **annual quotas**;
- **milk powder** exports will be secured an initial volume of 30 000 tonnes rising to **50 000 tonnes 5 years** after the enter into force of the agreement;
- **tariffs will be removed** on virtually all **pork products**, to which up to 100% duties are applied; **chocolate and confectionery products** (currently up to 30%), pasta, apples and canned peaches (currently up to 20%)⁴⁹.

Import duties and taxes for the export of food and beverages to Mexico can be consulted here:

http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi%20

Please note that the tariffs here are those presently in force, and hence may be scheduled to change significantly with the entry into force of the updated agreement which will, as outlined above, liberalise most goods and greatly reduce tariffs on the, majority of the rest.

4.3.3 WTO disputes and other trade barriers

Mexico has been involved as respondent in 15 WTO disputes, several of which concern agricultural products, as set out below (Table 4-2). However, none of these disputes are recent or current.

Table 4-2: Key WTO disputes involving Mexico

Role	Counterparty	Issue	Reference
Respondent	US	Anti-Dumping Investigation of High-Fructose Corn Syrup (HFCS)	DS101 DS132
Respondent	US	Measures Affecting Trade in Live Swine	DS203
Respondent	Nicaragua	Certain Measures Preventing the Importation of Black Beans from Nicaragua	DS284

⁴⁷ EU-Mexico Trade Agreement: Agriculture - How the agreement benefits the EU, http://trade.ec.europa.eu/doclib/docs/2018/april/tradoc_156757.pdf

⁴⁸ EU and Mexico reach new agreement on trade, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1830>

⁴⁹ Key features of the EU-Mexico trade agreement, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1831>

Role	Counterparty	Issue	Reference
Respondent	US	Definitive Anti-Dumping Measures on Beef and Rice	DS295
Respondent	US	Tax Measures on Soft Drinks and Other Beverages	DS308
Respondent	European Communities	Provisional Countervailing Measures on Olive Oil from the European Communities	DS314
Respondent	European Communities	Definitive Countervailing Measures on Olive Oil from the European Communities	DS341

Source: AGRA CEAS based on Mexico and the WTO, https://www.wto.org/english/thewto_e/countries_e/mexico_e.htm

Furthermore, three trade barriers concerning the agricultural sector have been identified, as set out below:

- Registration of foreign geographical indications (GI) is not possible in Mexico and alternatives offer only weak and uncertain protection. This has subsequently been changed in 2018;
- The procedure for the approval of establishments through prior inspection (pre-listing) for meat products) is burdensome and costly;
- Due to complicated import protocols, fresh fruit and vegetables face imports restrictions (pre-clearance).

An up to date list of trade barriers can be consulted here:

http://madb.europa.eu/madb/barriers_result.htm?isSps=false&countries=MX

4.3.4 Summary of key trade barriers

The Mexican market is currently highly regulated, which poses a challenge for European companies' exports. The main barriers are a combination of both tariff and non-tariff measures (NTMs). The NTMs include: divergent inspection procedures; as well as complicated administrative procedures; with the latter impeding effective EU exports to Mexico, despite the EU-Mexico Trade Agreement being in force.

However, the modernised EU-Mexico Trade Agreement, which is expected to enter into force sometime after 2019, is set to significantly simplify enterprises' access to the Mexican market. By removing tariffs or introducing TRQs, as well as addressing several non-tariff issues, the Trade Agreement is therefore expected to significantly boost EU exports to Mexico, also for key agricultural products, e.g. pork, chocolate and cheese.

4.4 Operating in the Mexican food and beverage market

4.4.1 Logistical services and transportation infrastructure

Mexican infrastructure is good and developing, despite the geographic challenges related to the population being spread over a large area.

Transportation routes have been improving throughout the country, as the government has been heavily investing in new highways, container ports and the modernisation of airports and railroads⁵⁰, with a view to establish itself as a strong international trade player. The current administration's National Infrastructure Program (NIP) for 2014-18 has indeed allocated almost \$8 trillion pesos (EUR 365 bn approx.) to over 700 projects in six strategic sectors, including transport^{51,52}.

Shipping

Mexico boasts 117 ports and freight terminals, 59 of which are in the Gulf of Mexico, and hence of greater interest to European companies⁵³. The current administration has also prioritised the expansion of Mexican ports' capacity, with a view to improve the mobility of merchandise, and consequently enhance Mexico's role in international trade. To this end, several ports are being renovated, including the Veracruz port, which is the largest in the Mexican Gulf⁵⁴. Mexican ports are expected to move more than 500 million tonnes shipments by end of 2018, over three times their capacity in 2012. The ports of greater interest to European companies are illustrated in Figure 4-3.

⁵⁰ Infrastructure In Mexico & IT Services, <https://napsintl.com/manufacturing-in-mexico/infrastructure-in-mexico/>

⁵¹ Mexico's Infrastructure Needs and Opportunities, <https://www.foreignaffairs.com/country-focus/mexicos-infrastructure-needs-and-opportunities>

⁵² Improving Infrastructure in Mexico, <https://www.liveandinvestoverseas.com/country-hub/mexico/infrastructure-in-mexico/>

⁵³ Mexican Government: Sistema Portuario Nacional, http://www.sct.gob.mx/fileadmin/CGPMM/puertosdemexico/mapa_o.jpg

⁵⁴ México amplía la capacidad de sus puertos, <https://noticiaslogisticaytransporte.com/logistica/05/01/2016/mexico-amplia-la-capacidad-de-sus-puertos/67151.html>

Figure 4-3: Major ports in Mexico



Source: Agra CEAS

Numbers 8-14 denote Pacific coast ports which are generally used for trade with the Asia Pacific and the US; and hence are susceptible to be of less interest to EU exporters.

Air freight

Mexico is the third country in the world for number of airports (2 000), of which 64 are international commercial airports. Air transport is excellent and abundantly available; however, it is not one of the main freight transport modes. Nevertheless, the Development Bank of Latin America has announced that, for the period 2016-2040 Mexico will require investments of nearly 17 billion dollars to improve and develop new airport facilities. In 2018, Mexico hence launched 13 projects to build new airports or modernise existing facilities⁵⁵⁵⁶⁵⁷. The main international airports are illustrated in Figure 4-4.

⁵⁵ México requiere inversiones por 16 mil 900 mdd para mejora en aeropuertos,

<http://www.milenio.com/negocios/mexico-requiere-inversiones-16-mil-900-mdd-mejora-aeropuertos>

⁵⁶ US Export.gov: Mexico - Distribution and Sales Channels, <https://www.export.gov/article?id=Mexico-Distribution-and-Sales-Channels>

⁵⁷ México, país con mayor inversión en infraestructura aeroportuaria, <http://www.dgcinternacional.com/noticias/visualizar.php?id=4943>

Figure 4-4: Main International airports in Mexico



Source: Agra CEAS

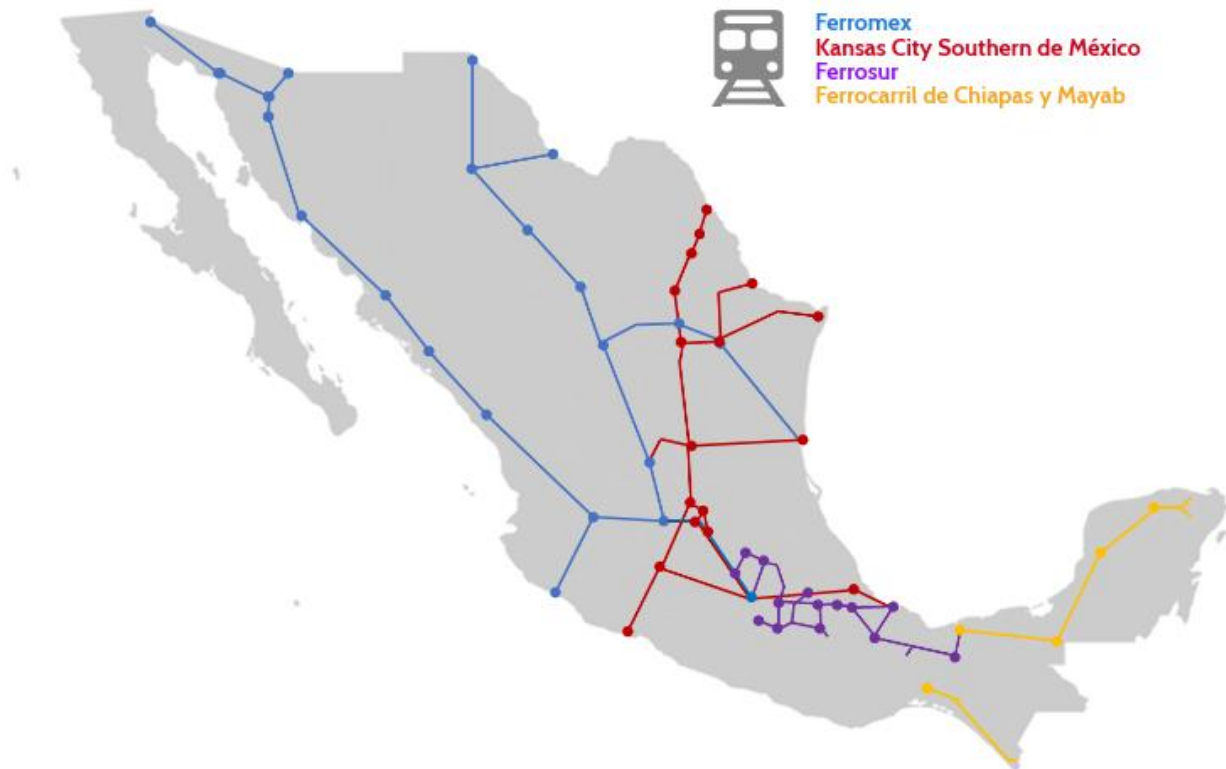
Rail freight

The Mexican rail system has an operational railway network of nearly 18 000 route-kms and moves around 107 million tons of merchandise per year, making it the second most important freight transport mode. As illustrated in Figure 4-5, the system is essentially split into four main companies (Kansas City Southern Mexico (KCSM), Ferromex, Ferrosur and Ferrocarril). Although the current system works well, it is in need of renovation. Recent initiatives to improve it include the upgrading to high-speed rail systems to and from Mexico City, as well as the modernisation of the train that runs across the Yucatán from Cancun to Merida⁵⁸⁵⁹.

⁵⁸ OECD: Freight Railway Development in Mexico, <https://www.itf-oecd.org/sites/default/files/docs/14mexicorail.pdf>

⁵⁹ Euromonitor International: Business Dynamics, 2018

Figure 4-5: Railway network in Mexico



Source: Agra CEAS

Road Freight

With approximately 370 000 km of roads, the road freight is the most important goods transport mode in Mexico, accounting for 56% of the domestic and international freight transport.

While the main industrial areas located in the Mexico City–Guadalajara–Monterrey triangle are connected by a modern highway system, outside this area, road transportation is rather inefficient. For this reason, the government has planned to invest in new road infrastructure, hence 17 new motorways have been recently built⁶⁰.

4.4.2 Distribution

Mexico's retail sector is rather fragmented. Only few grocery retailers cover the entire national market, and the top five food retailers only account for over 30% of grocery sales. In Mexico, the large grocery

⁶⁰ US Export.gov: Mexico - Distribution and Sales Channels, <https://www.export.gov/article?id=Mexico-Distribution-and-Sales-Channels>

⁶¹ Mexico Freight Assessment – Global Green Freight Action Plan, https://www.theicct.org/sites/default/files/publications/Mexico-freight-assessment_ICCT-Consultant-Report_Oct2017.pdf

chains tended to be regional until the arrival of Walmart, which has gained large market shares establishing itself as the main supermarket chain in the country⁶².

4.4.2.1 Retail channel overview

Supermarkets

In Mexico supermarkets, local stores and markets can be found in most of the areas. The bigger the location, the larger the number of stores, with suburban residential areas usually offering more choice⁶³. The most important supermarket chain in Mexico is Walmex (Walmart Mexico), which boasts around 2 300 stores in Mexico under different names, such as Walmart Supercenter, Sam's Club, etc. It has been continuously expanding (92 new outlets were opened in 2016), also in new locations, such as smaller urban areas with fewer than 100 000 residents. Recently the company has started to invest more in e-commerce. Organización Soriana, which acquired another retail store, i.e. Comercial Mexicana, in 2015, follows, with 827 outlets across Mexico⁶⁴. Other notable supermarket chains include Chedraui and Costco. In smaller locations, supermarkets are usually replaced by independent “Mini Super” stores, which usually offer basic commodities and less variety compared to larger supermarkets⁶⁵.

Several of the large supermarket chains have established more “gourmet” versions of their stores, which operate under different names. Notable ones include: Selecto (of Chedraui) and Superama (of Walmart). These chains may be particularly suitable for higher value products. In addition to these gourmet versions of supermarkets, there are also some smaller or independent gourmet supermarkets such as La Europea, La Castellana and City Market, which are specialised in wine, spirits and (to different extents) gourmet foods. With regard to such gourmet stores (and organic stores as well), these are mainly located in upper-middle class neighbourhoods

Department stores

Department stores are very popular in Mexico and most of them have branches in the largest cities across the country. The most important department stores are Liverpool, El Palacio de Hierro, Sears, and Sanborns, where several items, including packaged foods and alcoholic beverages can be purchased⁶⁶.

⁶² Agri-Food Canada Report: Business Environment in Mexico, <http://www5.agr.gc.ca/resources/prod/Internet-Internet/MISB-DGSIM/ATS-SEA/PDF/6434-eng.pdf>

⁶³ The Art of Shopping in Mexico, <https://www.mexperience.com/the-art-of-shopping-in-mexico/>

⁶⁴ USDA GAIN Report: Mexico Retail Sector Report, https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Mexico%20City%20ATO_Mexico_12-15-2017.pdf

⁶⁵ The Art of Shopping in Mexico, <https://www.mexperience.com/the-art-of-shopping-in-mexico/>

⁶⁶ Markets & Shopping in Mexico, <https://www.mexperience.com/lifestyle/mexico-essentials/markets-shopping-in-mexico/#13>

Convenience stores

Mexicans' increasingly fast-paced lifestyles have resulted in a great desire for convenience, especially among workers. This trend has driven demand for products and services such as convenience stores, which are gaining momentum. In 2017, convenience stores saw double-digit current value growth, recording the fastest growth rates among grocery retailers, which resulted both from a growing number of outlets and the increase in sales⁶⁷. Oxxo is the largest convenience store operator in Mexico with over 13 000 stores, though other chains such as 7-Eleven and Circle K are also present. Some supermarket chains run smaller formats of their supermarkets, which aim to act as convenience shops.

Street markets and indoor public markets

A point of reference for the purchasing of fresh products (fruits, vegetables and meat), street and indoor markets are widespread in the whole country. In Mexico City, for example, there are approximately 329 traditional indoors markets, as well as 144 street markets per day⁶⁸.

Foodservice (HoReCa)

In line with the general trends of busier and faster lifestyles, and the resulting need for convenience, dining out has become increasingly popular in recent years. Mexicans enjoy more and more dining out for breakfast and for snacking. A large part of Mexicans, middle-class busy workers and students in particular, has also increasingly opted to have lunch and dinner in restaurants⁶⁹. As a result, the foodservice channel is growing in importance, with full-service restaurants holding the largest foodservice market share, followed by fast foods, cafés and street kiosks⁷⁰. Alsea is the leading player in foodservice, with the largest presence in most areas. The company is set to gain further sales share due to the strong performance of brands like Domino's Pizza, Starbucks and VIPs⁷¹.

eCommerce

With nearly half customers making purchases from mobile devices, Mexico is the second largest eCommerce market in Latin America (following only Brazil)⁷². eCommerce in Mexico is expected to more than double by 2022, driven by the increasing popularity of players like MercadoLibre, Amazon, Walmart and Alibaba⁷³.

⁶⁷ Euromonitor International: Retailing, 2018

⁶⁸ Trends in the agrifood sector in Mexico <https://www.foodvalleysociety.com/wp-content/uploads/2017/03/Trends-in-the-agrifood-sector-in-Mexico-Salvador.pdf>

⁶⁹ Euromonitor International: Consumers Lifestyles, 2018

⁷⁰ Mexico Foodservice Market: Growth, Trends and Forecast (2018 - 2023), <https://www.mordorintelligence.com/industry-reports/mexico-foodservice-market>

⁷¹ Euromonitor International: Consumer Foodservice, 2018

⁷² Paymentwall: Mexico Popular Payment Methods, <https://www.paymentwall.com/en/payment-methods/mexico>

⁷³ US Export.gov: Mexico - Distribution and Sales Channels, <https://www.export.gov/article?id=Mexico-Distribution-and-Sales-Channels>

Establishing your presence in Mexico

Establishing a presence in Mexico may bring several advantages; notably it allows direct contact with customers and other business partners, which is of utmost importance in the Mexican business culture. Cultivating close personal relationships and building trust are considered vital components for a successful working environment. Mexicans prefer to do business with people whom they know and trust and it is common to find family members working for the same business. It is also important to bear in mind that Mexican business people tend to base business decisions on the degree of personal trust established with the foreign counterpart. Therefore, companies might decide to set up a Corporation (simple or with variable capital), a LLP, or a branch office.

- The Corporation (*Sociedad Anonima*) identified with ‘S.A.’ at the end of the company name, and Corporation with Variable Capital (*Sociedad Anonima de Capital Variable*) identified with ‘S.A. de C.V.’ are the most common ways to establish a presence in Mexico. The latter allows changes to the minimum fixed capital after the initial formation.
- The Limited Liability Partnership (*Sociedad de Responsabilidad Limitada*), identified with ‘S. de R.L.,’ has the option of having variable capital, indicated by ‘S. de R.L. de C.V.’
- A branch office (*sucursal*) provides rights and responsibilities similar to a corporation, although it has to be approved by the National Foreign Investment Commission (CNIE)⁷⁴.

4.4.2.2 Intermediaries

The assistance of an intermediary may be a reasonable solution, especially for small and medium enterprises and in absence of a branch office in Mexico. Intermediaries can provide support service and guidance in developing an appropriate strategy to enter the market. Food exhibitions can provide the opportunity to look for and make personal contact with potential business partners. Industry associations, chambers of commerce and similar bodies may provide some help to companies too.

Distributors/Agents

EU enterprises that wish to export into Mexico are advised to closely work with distributors/agents from different areas, to broaden their distribution network⁷⁵. In order to find distributors/agents, specialists recommend going on a trade mission, which provide one-on-one meetings with pre-screened distributors and networking events with local businesses. Nonetheless, Mexican distributors/agents can be also retrieved from professional social networks, such as LinkedIn⁷⁶. A good Mexican agent can be greatly beneficial to smaller or medium sized importers.

⁷⁴ US Export.gov: Mexico - Establishing an Office, <https://www.export.gov/article?id=Mexico-Establishing-an-Office>

⁷⁵ Mexico - Using an Agent to Sell US Products and Services, <https://www.export.gov/article?id=Mexico-Using-Agent>

⁷⁶ How to Find a Highly Qualified Distributor in Mexico, <https://sbdctampabay.com/find-highly-qualified-distributor-mexico/>

Importers and wholesalers

Key retail chains, including Walmart de México, Costco de México, El Puerto de Liverpool SAB de CV, El Palacio de Hierro, Sanborns de México SAB de CV, and Sears Roebuck de México, are among the largest importers and wholesalers in Mexico⁷⁷. While Mexican importers may not have strict criteria such as fixed minimum volumes, they will assess the potential of products / how it will fit in the market before taking any decisions. Against this background, the higher price of many imported EU products vis-à-vis products from the neighbouring US must be justifiable to wholesalers. Premiumisation trends and the image of EU products in some sectors can provide such justification.

Franchises

Franchises in Mexico are regulated by Article 142 of the Industrial Property Law and Article 65 of its Regulations. Under Mexican rules, companies are advised to register a trademark to protect their brands. A trademark must hence be used by its owner, the licensee, or the franchisee of record, or it may be subject to an action of cancellation due to non-use⁷⁸.

Business Contact Database

A database of importers, wholesalers, retailers and distributors can be found in section 8.5.
N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.

4.4.3 Business environment

In 2018 Mexico ranked as the easiest place for doing business in Latin America, thanks to its high score in the Economic Freedom Index. Factors that have largely contribute to improve the business environment are an improved access to credit, relatively low wage rates and a focus on improving infrastructure. On the other hand, corruption, high tax burdens, as well as the widespread of skill shortage and brain drain remain a serious challenge the country is called to face⁷⁹.

4.4.4 Key operational considerations and challenges: summary

While Mexico is not an overly difficult country to do business in, the value of a trusted local partner should not be underestimated; and the use of a local partner such as an importer or agent would be the recommended in the majority of cases. Careful thought should be given to the product being imported, the target market and the distribution channels to use; while the population of Mexico is large, mass distribution channels may not be suitable for all products due to the diverse income levels across the population.

⁷⁷ US Export.gov: Mexico - Distribution and Sales Channels, <https://www.export.gov/article?id=Mexico-Distribution-and-Sales-Channels>

⁷⁸ US Export.gov: Mexico – Franchising, <https://www.export.gov/article?id=Mexico-Franchising>

⁷⁹ Euromonitor International: Business Dynamics, 2018

4.4.5 Other relevant information

4.4.5.1 Methods of payment in Mexico

In Mexico, more than half of purchases are made through credit and debit cards, followed by cash and cash-on-delivery, and other payment methods like bank transfers or PayPal. Payment methods that can be used in Mexico are set out below:

- **Credit cards:** It is estimated that 30 million credit cards are in force in the country, most of which are issued under Visa, MasterCard, and, less frequently, American Express. Credit cards are one of the most popular method of payment in Mexico.
- **Debit cards:** unlike the average Latin American customer, a large percentage of Mexicans owns a debit card. Although 134 million debit cards are in force in the country, they are used to a lesser extent than credit cards. Electronic debit cards are growing in importance.
- **Paypal:** payments through Paypal are pretty popular given the possibility the system offers to both citizens and businesses to send and receive funds online.
- **Vouchers:** despite the increasing popularity of credit and debit cards, several Mexicans are still used to pay with voucher for their purchases, even online ones. The voucher payment method called **Oxxo** is increasingly used by customers to make online purchases in cash, as more than 13 000 OXXO stores exist in Mexico.
- **SPEI:** this Interbanking Electronic Payment System was developed by the Bank of Mexico and allows customers to make instantly electronic payments^{80 81 82}.

4.4.5.2 Travel from the EU to Mexico

Travel from the EU to Mexico requires only a valid passport. EU citizens have a visa-free access to Mexico as visitors in transit (for up to 30 days), tourists, or business visitors (for up to 180 days). Foreigners that wish to stay in Mexico for longer periods must obtain an entry permit (see box below).

Information on how to obtain an entry permit can be consulted on the website of Mexico's National Institute for Migration (*Instituto Nacional de Migración*):
http://www.inm.gob.mx/index.php/page/pagina_principal/en.html

⁸⁰ Mexican Payment Processing, <https://www.allpago.com/our-services/mexican-payment-processing/>

⁸¹ SPEI, <https://business.ebanx.com/en/mexico/payment-methods/spei>

⁸² OXXO, <https://business.ebanx.com/en/mexico/payment-methods/oxxo>

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

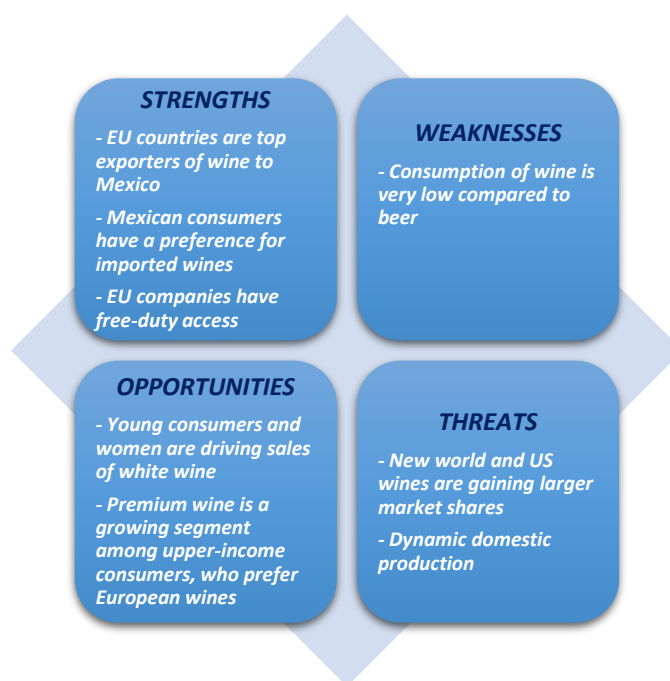
- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures / import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer;

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Wine	Spirits	Dairy
Olive oil	Processed fruit and vegetables	Pasta
Baked goods	Chocolate and confectionery	Processed meat
Beer	Fresh fruit and vegetables	Fresh meat
Processed cereals	Honey	Live plants

5.1 Wine

5.1.1 SWOT analysis



5.1.2 Consumption

5.1.2.1 Evolution of consumption

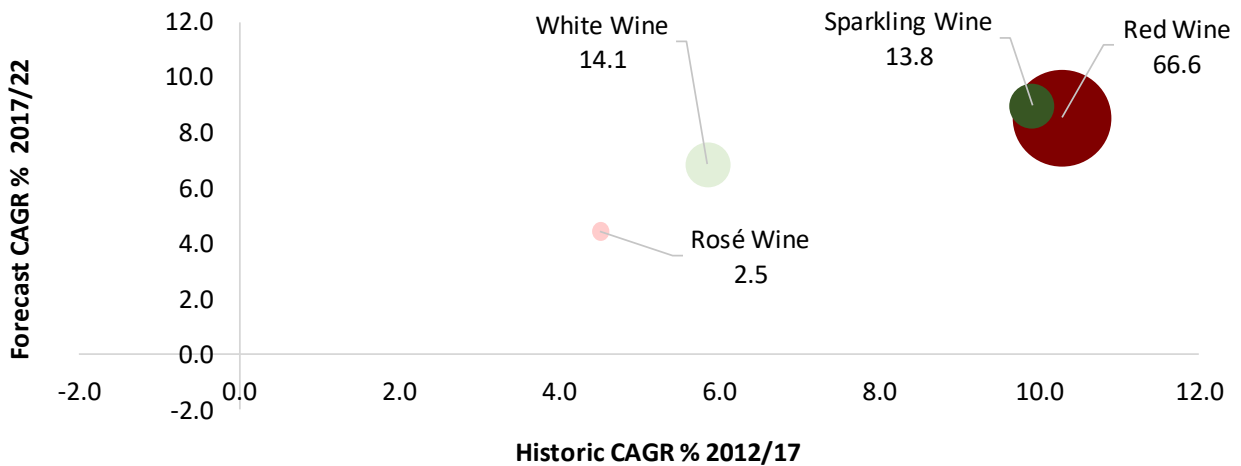
Mexico is placed among the countries with the fastest growing wine consumption worldwide (albeit from a low base), which makes it a fascinating market for European importers. Driven by the popularity wine has been gaining among new consumers categories, primarily women and young people, sales are currently experiencing high growth rates.

As indicated in Figure 5-1, total consumption of red wine recorded the most dramatic growth between 2012 and 2017 (10.3% per year), followed by sparkling wine (9.9%), white wine (5.9%), and rosé wine (4.5%). As demonstrated by the volume of total consumption (that is nearly 67 million litres), red wine is also the most popular variety in Mexico. Total consumption of other categories of wine recorded far lower volumes in 2017, namely 14.1 (white wine), 13.8 (sparkling), and 2.5 million litres (rosé).

Per capita consumption of wine, which is very low compared to other Latin American countries (most notably Argentina and Uruguay), has been rather moderate between 2012 and 2017. Per capita wine consumption is expected to remain broadly stable over the next few years, though red wine is an

exception. In 2017, per capita consumption varied between categories, ranging from less than 0.1 litres (rosé wine) up to 0.5 litres (red wine). By 2022 red wine per capita consumption is set to reach 0.8 litres⁸³.

Figure 5-1: Evolution and forecast of wine market (million litres) in Mexico, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.1.2.2 Consumer profile and purchase criteria

Although Mexican consumers have a strong beer culture, the popularity of wine, which is considered a beverage for special occasions, has been substantially growing in recent years. Mexican wine consumers are either upper-income men, who mostly purchase European premium wines, or people aged 25-40, especially females, who are increasingly trading up from beer to wine for health reasons.

Consumers

While middle-aged men from mid and high-income segments account for a large share of wine consumers, wine's popularity among men and women aged between 25 and 40 is growing. Younger consumers often prefer white wines, though they are eager to try new products as well. As women are taking on full time jobs, a higher number of them see their purchasing power increasing, which allows them to purchase wine more frequently⁸⁴.



Wine consumers in Mexico may be grouped into three main segments, which account for most consumption both in terms of volume and value:

⁸³ Euromonitor International: Alcoholic Drinks, 2018

⁸⁴ Euromonitor International: Alcoholic Drinks, 2018

- **Mid-aged upper social classes consumers (usually men).** Usually a high-income earner, fond of gourmet products, this type of consumer is more likely to purchase premium European wines, which are associated to high quality and sophistication. This niche indeed accounts for most purchases in terms of value.
- **Consumers aged 25-40, with a good educational background and usually some experience of living abroad.** These consumers usually purchase white wine, especially women, due to its sweet fruity flavour, and its healthier composition, compared to other alcoholic beverages.
- **Tourists,** who are concentrated in the Yucatán peninsula (including Cancún) and Mexico City, but also often visit other areas such as Jalisco, Baja California and Oaxaca⁸⁵⁸⁶⁸⁷.

Geographically, there is a higher level of wine consumption in the central and north western regions of the country, partly due to the higher availability of products in these regions – partly impacted by local production. Cities such as Mexico City, Monterrey, Guadalajara, Queretaro and Guanajuato have seen increases in consumption of wine driven by the middle-class in these cities. As noted above, popular foreign tourist destinations such as Cancun and Cabo San Lucas have high levels of wine consumption driven by tourists.

Drivers and method of consumption

Mexican consumers generally purchase wine once each six months, with sales dropping during the hottest months of March, April and May⁸⁸. In contrast to European countries, where wine is consumed daily, Mexicans mostly purchase wine to celebrate a special occasion. Most notably, wine sales are observed to peak over the Christmas period.

In terms of preferences, as described in section 5.1.2.1, red wine is the most popular variety in Mexico, accounting for over 68% of total consumption. White and sparkling wine follow, while rosé is the least demanded variety. The prevalent choices in terms of varieties are set out below:

- **Red wine:** there is a high demand for Cabernet Sauvignon, which accounts for over half sales of red wine in terms of volume. Tempranillo and Merlot follow. Rich and velvety reds are widely preferred.



⁸⁵ Euromonitor International: Alcoholic Drinks, 2018

⁸⁶ Incrementa consumo de vino en México, <http://www.milenio.com/estilo/incrementa-consumo-de-vino-en-mexico>

⁸⁷ Análisis del mercado del vino en países de Latinoamérica: México, http://www.tv.camcom.gov.it/docs/Corsi/Atti/2015_06_23/Market_Analysis_mex.pdf

⁸⁸ Mexicanos beben 10% más vino que antes, <http://jornadabc.mx/tijuana/26-04-2017/mexicanos-beben-10-mas-vino-que-antes>

- **White wine:** Chardonnay lead the segment with nearly 40% of sales by volume, followed by Sauvignon Blanc and Riesling (around 30% each). White wines enjoy some popularity in the warmer regions of the country.
- **Sparkling wine:** appreciated especially by women, Lambrusco is the most popular sparkling wine. There is also local production by Freixenet in Querétaro.
- **Rosé wine:** Zinfandel accounts for over 60% sales, with the remaining varieties each holding a minor share of the market⁸⁹.

Pairing of wine with food is limited, and consumers will often rely on advice – whether from vendors or friends and family – with regards to which wine to purchase to accompany food. That said, merlot or tempranillo wines are often chosen to accompany traditional Mexican dishes with strong flavours such as mole; while sauvignon blanc or chardonnay are often used to accompany lighter fish/seafood, pasta or salad dishes.

Purchase criteria

Purchase criteria are not the same for all consumer segments. Upper-income consumers, for example, are more likely to be influenced by a product's quality and brand recognition, with country of origin an important factor (France, Spain and Italy are particularly popular). Younger consumers are more sensitive to the taste, and price. Women, on the other hand, pay attention to the health aspect. Furthermore, purchase criteria vary according to the season or climate; in warmer areas or during the summer, consumers are more likely to opt for light, fresh or sweeter wines.

5.1.2.3 Recent market trends

Compared to beer and spirits, wine purchases in Mexico are modest, as there is not a culture of drinking this beverage daily. Nonetheless, consumers are becoming more curious about wines, partly driven by the increased quality and popularity of domestically produced wines (some Mexican producers such as Casa Madero and Bodegas Santo Tomas have recently won prizes for their wines).

Consumption is therefore on the rise and the positive performance wine recorded in 2017 is expected to continue over the next years; with volumes of red, sparkling and white wine growing at a high rate (although slightly lower than in 2012-2017). Most notably, sparkling wine is projected to record the highest annual growth (at a 9% rate, down from 9.9% in 2012-2017), followed by red (8.5%), white (6.8%) and rosé (4.4%) wines. As a result, sales of red and sparkling wine (the fastest-growing categories) are set to almost double by 2022, compared to 2015 volumes. Total sales of wine are overall expected to reach up to over 144 million litres in 2022 (+47 million litres compared to 2017 figures)⁹⁰.

⁸⁹ Análisis del mercado del vino en países de Latinoamérica: México, http://www.tv.camcom.gov.it/docs/Corsi/Atti/2015_06_23/Market_Analysis_mex.pdf

⁹⁰ Euromonitor International: Alcoholic Drinks, 2018

This forecast increase in wine consumption is due to a range of consumers. Consumers' growing curiosity / interest and increase in the availability of lower-priced wines are expected to both increase consumption among existing consumers as well as attract new ones. Young people, including young financially independent women are expected to be a particularly important demographic for growth in wine consumption. This demographic is eager to try new products; and many of them find wine (red wine in particular) a sophisticated and versatile beverage that can fit within different budgets depending on the occasion. That said, sparkling wine has also gained traction among this segment recently due to wider availability at different price points. In addition to the aforementioned younger segment, the high-end segment has also experienced a positive trend, driven by a niche of upper-income consumers who like European wine; and this trend is set to continue going forwards.

Finally, there has been a slight trend in ready-to-drink wine beverages of late (generally at the more economic end of the market). Notable brands active in this trend include Caribe Cooler, Vina Real, Boone's and Sunset.

5.1.3 Offer

5.1.3.1 Domestic production

Although limited, Mexican wine production is very dynamic. With an area of nearly 1474 hectares of wine grapes, the country is estimated to currently produce over 2.1 million cases of wine per year (which corresponds to nearly 19.5 million litres or roughly 1/5 of domestic consumption). The value of the domestic production is estimated at over 3 billion pesos (EUR 140 m approx.).



Domestic production focuses on red (80%), white (15%), and sparkling (5%) wines. Baja California accounts for 57% of the total wine production, followed by Coahuila (8.5%), Queretaro (4%), and Guanajuato (2.3%). Mexican wine production, which has been growing at fast rates, is expected to keep growing in coming years. The Mexican Wine Council estimates that thanks to a series of incentives, the country may be able to double the number of hectares dedicated to the

production of wine in less than 15 years^{91,92,93}. Domestically produced wines are improving in quality, and therefore may begin to pose more significant competition to imported wines in the near future.

⁹¹ El mercado del vino mexicano, <http://revistaelconocedor.com/el-mercado-del-vino-mexicano/>

⁹² El mercado de vino en México, francamente 'verde', <http://www.elfinanciero.com.mx/bajio/el-mercado-de-vino-en-mexico-francamente-verde>

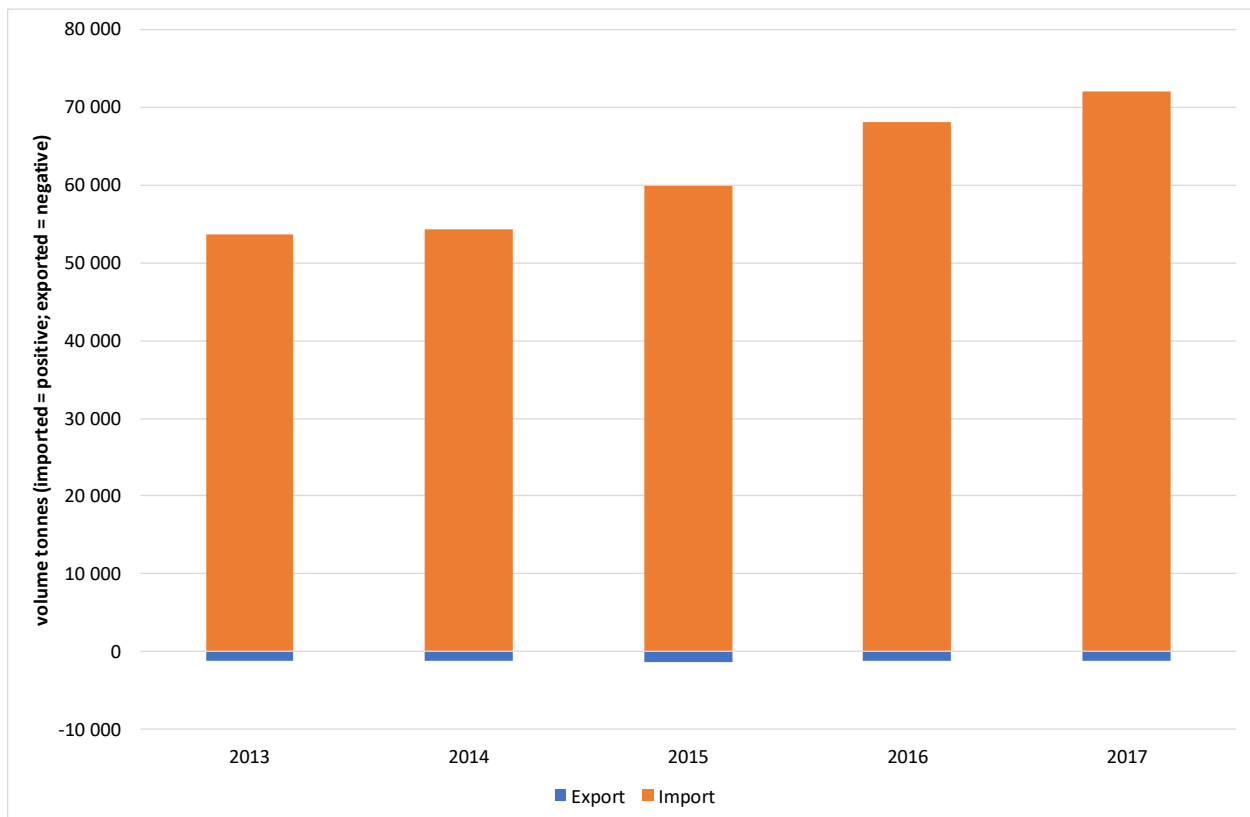
⁹³ Análisis del mercado del vino en países de Latinoamérica: México, http://www.tv.camcom.gov.it/docs/Corsi/Atti/2015_06_23/Market_Analysis_mex.pdf

5.1.3.2 Imports and exports

Due to the relatively low volumes produced in Mexico, the majority of wine consumption depends on imports, which have shown a steady growth in recent years, rising from 53 685 tons in 2013 to 71 949 in 2017 (Figure 5-2) in line with consumer demand.

With 24 067 tonnes in 2017 (or 34% of the total Mexican imports in terms of volume), Spain was the leading importer of wine into Mexico, followed by Chile (19 824 tonnes, or 28%), which benefits of duty-free access under a Free Trade Agreement with Mexico. With 13 168 tonnes, which account for 18% of all Mexican imports, Italy was the third largest trader of wine in the Latin American country. Argentina and the USA followed, accounting for almost all remaining imports from the rest of the world. The rest of the EU accounted for the remaining 6% of total Mexican imports of wine, the vast majority of which (78%) were French exports (Figure 5-3).

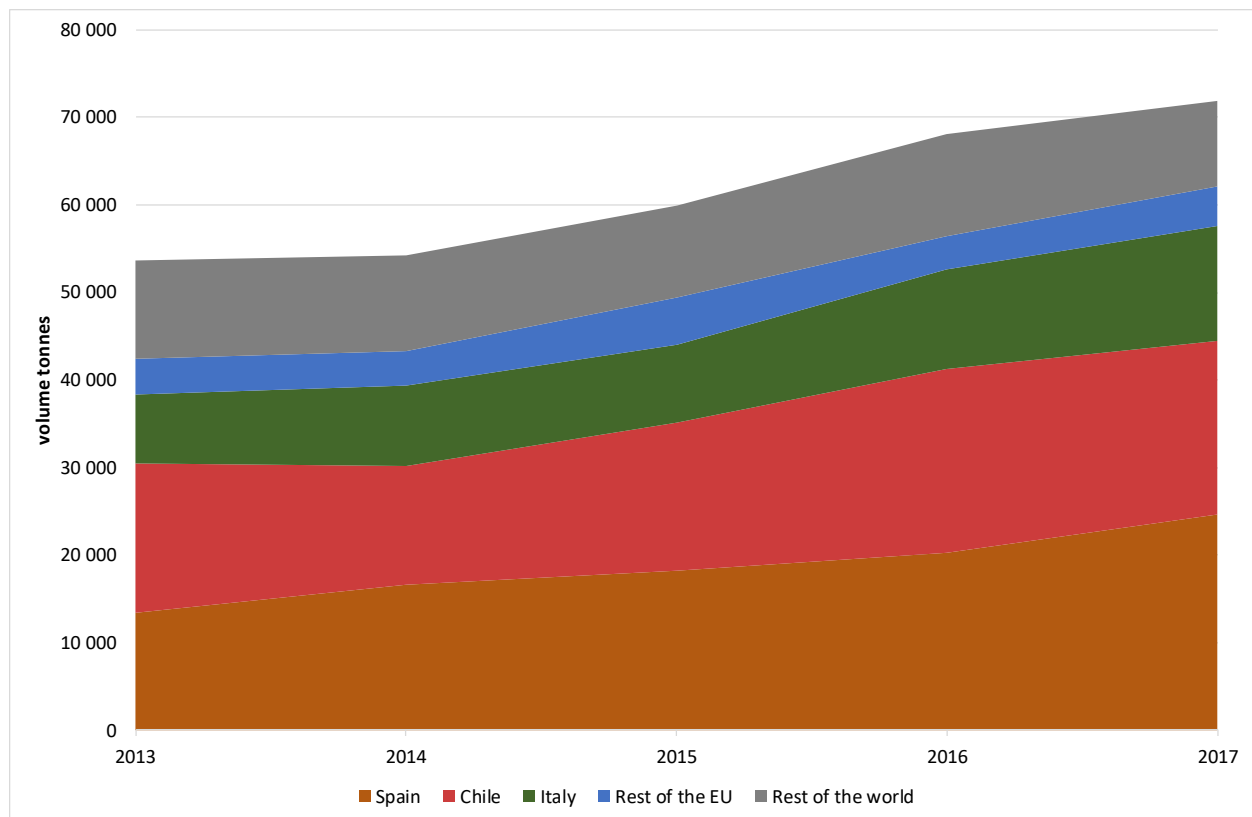
Figure 5-2: Trade balance (imports and exports) of wine in Mexico, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204

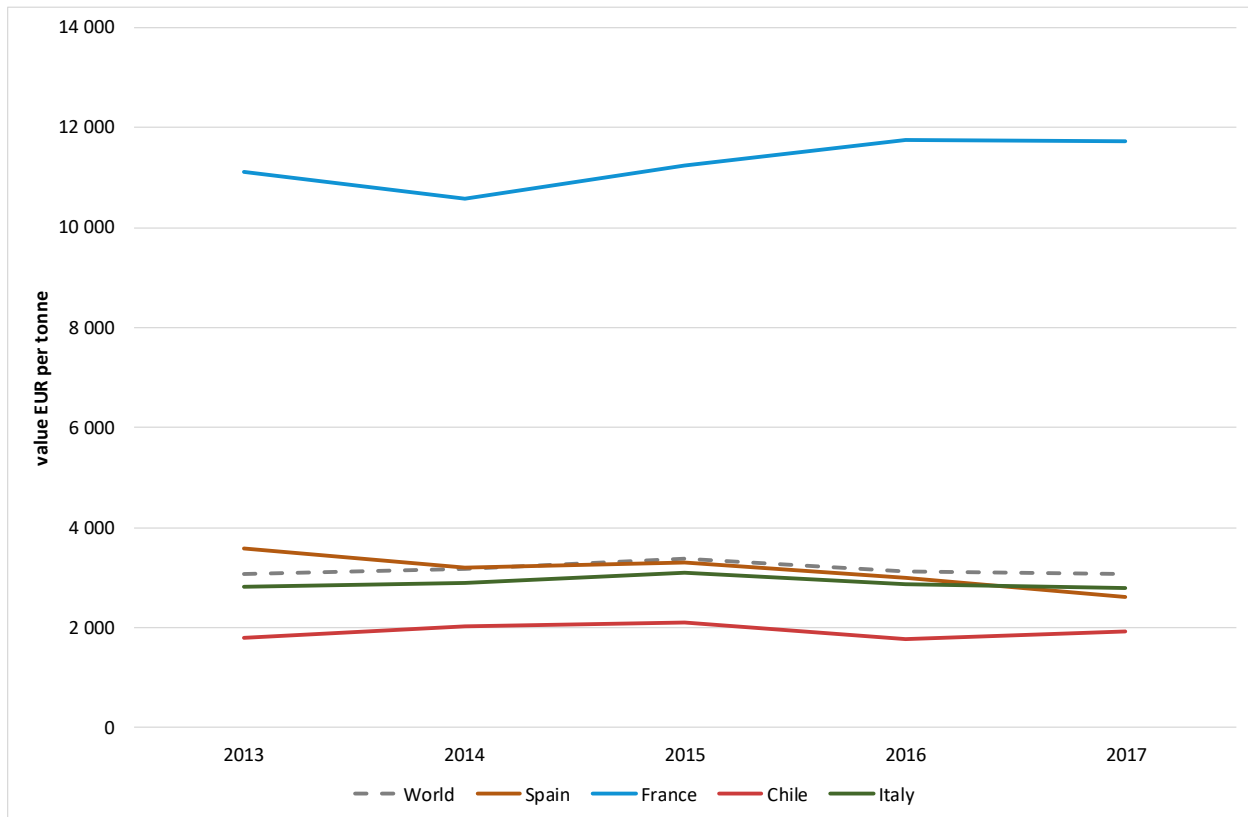
Figure 5-3: Mexican imports of wine by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2204

In addition to be the largest exporter by volume, Spanish imports were also the highest valued in 2017, amounting to EUR 65 million. Nonetheless, in terms of unit value, French imports recorded the highest value. As indicated in Figure 5-4, the unit value of French wines was 11 725 EUR/tonne in 2017, far above the average of wines imported into Mexico (3 076 EUR/tonne). The unit value of Spanish, Chilean, and Italian imports was on the contrary rather low, i.e. 2 619, 1 920 and 2 782 EUR/tonnes respectively.

Figure 5-4: Per unit value of Mexican imports of wine for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2204

5.1.3.3 EU GI products

As reported in section 9, under the modernised EU-Mexico Trade Agreement, 340 products are set to be recognised as Geographical Indications in Mexico, 145 of which are wines. Most of the GIs to be recognised under the new agreement are French (40), Italian (32), and Spanish (30); the remaining are produced in Portugal (16), Romania (8), Germany (7), Greece (5), Belgium (4), Cyprus (3), Bulgaria (2), Croatia, Hungary, and Slovakia (1 each). A full list of the GIs set to be recognised can be found in section 9.

5.1.3.4 Main competitors

Although European wines dominate the Mexican market, Latin American wines, especially from Chile and Argentina, as well as US ones, have been very popular for years now and are perceived as affordable as well as good-quality products⁹⁴. Chilean wines pose a particular threat as the names and labels of wines are considered easy to read and remember by Mexican consumers (partly, but not only assisted by linguistic similarities). Along with US wines, Chilean wines face 0% import duty, just like EU wines; while Argentinian wines are subject to an 8% duty. Furthermore, as reported in section 5.1.3.1, domestic

⁹⁴ Euromonitor International: Alcoholic Drinks, 2018

production is modest but dynamic and it is expected to expand in both quantity and quality over the next years. Nonetheless, the dominant wine brands operating in the Mexican market tend to be European.

5.1.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, wine producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2). In terms of tariffs, almost all European wines benefit from a duty-free access to the Mexican market.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=2204>

Customs procedures

A list of standard documents required for importing wine into Mexico is presented in section 4.2.1. Furthermore, a document confirming that importers have registered as Importers of Alcohol and Alcoholic Beverages with the Tax Administration Service is required for custom clearance of wine products.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=2204>

SPS measures

All sanitary and Phytosanitary measures concerning the import of wine into Mexico are in line with international standards.

Labelling

As described in more detail in section 4.2.3 (see in particular Table 4-1), wine must comply with the specific labelling rules concerning alcoholic beverages set out in *Norma Oficial Mexicana* 142, or NOM-142-SSA1/SCFI-2014, and *Norma Oficial Mexicana* 199, or NOM-199-SCFI-2017.

5.1.5 Distribution

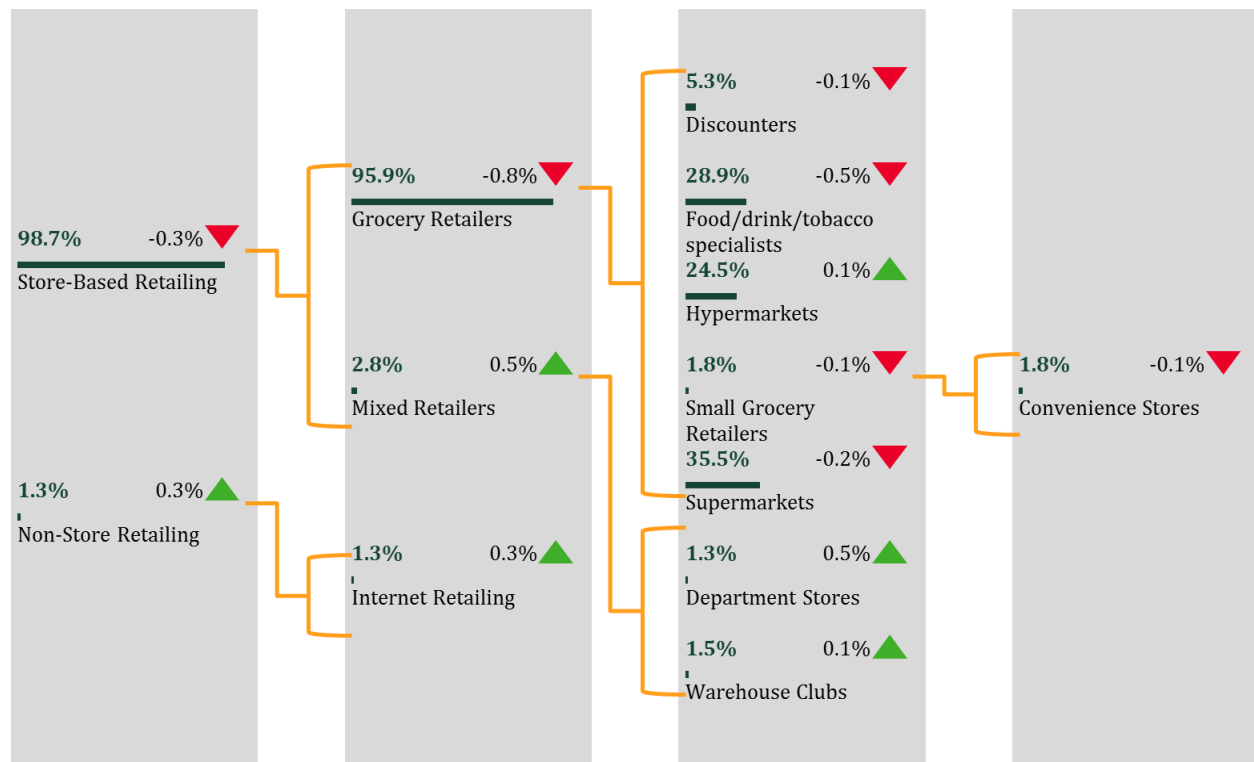
In Mexico, wine volumes are mostly distributed through off-trade channels (65.6%)⁹⁵, although sales through HoReCa channels (most notably through restaurants) are more significant in terms of value⁹⁶. As reported in Figure 5-5^{Figure 5-11}, almost all wine in Mexico distributed through off-trade channels is sold

⁹⁵ Euromonitor International: Alcoholic Drinks, 2018

⁹⁶ Análisis del mercado del vino en países de Latinoamérica: México, http://www.tv.camcom.gov.it/docs/Corsi/Atti/2015_06_23/Market_Analysis_mex.pdf

at store-based retailers, specifically grocery retailers. Of these, in 2017 the majority were supermarkets (35.5%), food/ drink/ tobacco specialists (28.9%) hypermarkets (24.5). Unlike food/ drink/ tobacco specialists and other grocery retailers, hypermarkets recorded the fastest growing trend (+0.6%). Nonetheless, it should be noted that these channels shares dropped off, while sales through mixed retailers (especially department stores) recorded a +0.5% growth in 2017.

Figure 5-5: Distribution channel overview of wine in Mexico (2017); off trade volume



Source: Euromonitor International: Alcoholic Drinks, 2018

5.1.6 Challenges for EU products

Wine consumption remains modest in Mexico, compared to European levels. Furthermore, EU companies, which are dominant players in the Mexican wine market, are challenged by growing domestic producers and international competitors. Most notably, new European exporters have to face the competition of Chilean importers, which are advantaged by the proximity to Mexico, as well as by the duty-free access to the Mexican market like their European counterparts. Domestic production is also dynamic and flourishing.

Market Takeaway: Wine

Consumption: consumption of red wine is growing at high rates; white sparkling varieties are growing in popularity, driven by new female consumers.

Competition: although limited, domestic production is dynamic and expansive. European companies face also the competition of products from Chile, Argentina and the US.

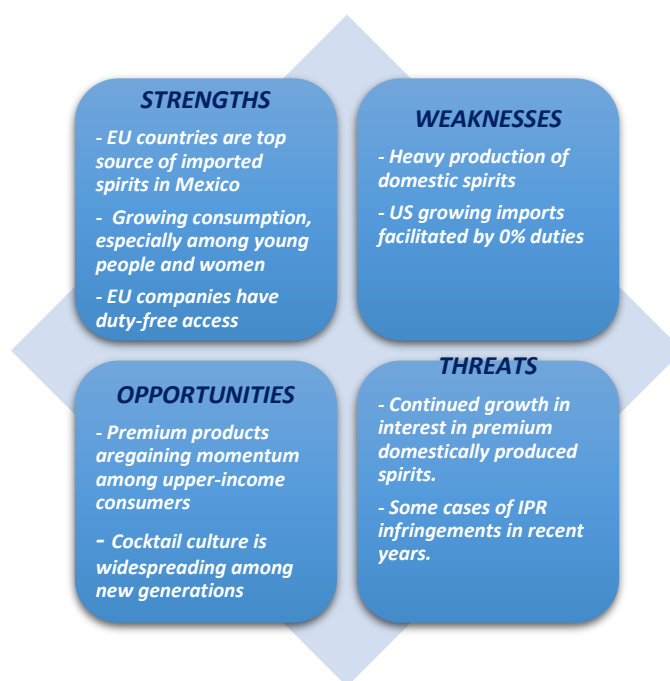
Distribution: Wine is mainly distributed through grocery retailers with major share of supermarkets, followed by food/drink specialists. While the off-trade channel is most important in terms of overall volume, the on-trade channel has an important role for higher value wines.

Challenges: Consumers are not educated to the consumption of wine and consider it as a beverage for special occasions.

Opportunities: Premium wine purchases are on the rise; the consumer base is expanding, with women and young people driving sales of wine in terms of volume. The upper-income niche, on the contrary, has a preference for premium European wines.

5.2 Spirits

5.2.1 SWOT analysis



5.2.2 Consumption

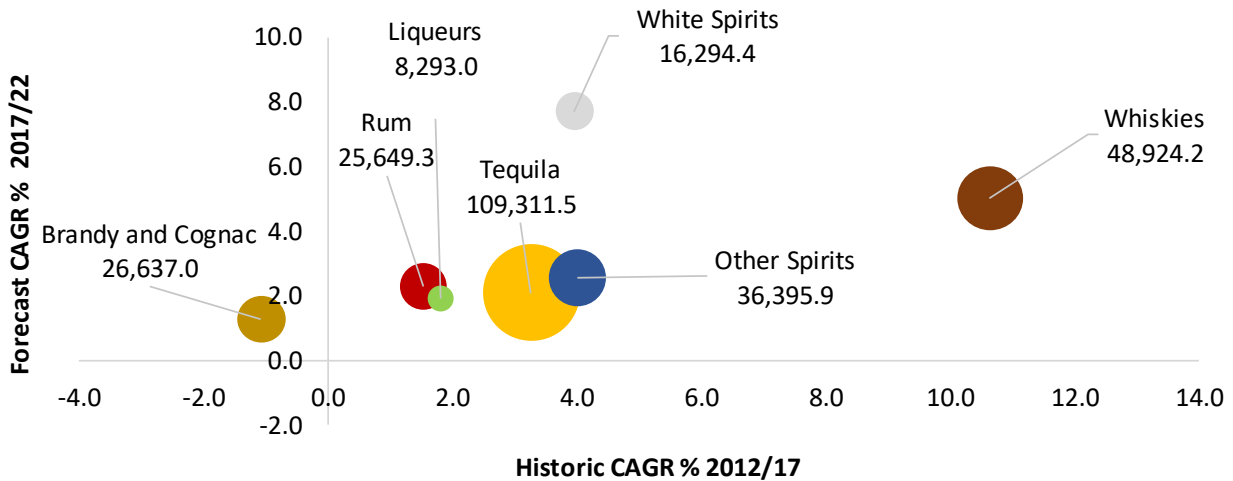
5.2.2.1 Evolution of consumption

Driven by a shift towards premiumisation, as well as a more frequent consumption of alcoholic beverages, the total consumption of spirits in Mexico increased considerably in 2012-2017, reaching over 271.5 million litres, and is projected to further rise by nearly 13% over the period to 2022.

In 2017, over 109 million litres of tequila, 49 million of whiskies, 27 million litres of brandy and cognac, 26 million litres of rum, 16 million litres of white spirits, 8 million litres of liqueurs, and 36 million litres of other spirits were purchased in Mexico. All spirits categories recorded a positive growth rate (except brandy and cognac). Most notably, whiskies grew by 10.6% per year in 2012-2017, driven by the increasing sales of low and mid-priced varieties that compete with similar priced rums and brandies. Consumption of spirits is overall set to continue to grow in 2017-2022, driven mostly by white spirits (7.7% CAGR) and whiskies (5%) (Figure 5-6).

Per capita consumption of spirits was stable in 2012-2017, and it is expected to moderately increase over the next few years. In 2017, per capita consumption slightly varied between categories, with consumers purchasing on average 0.9 litres of tequila per capita⁹⁷.

Figure 5-6: Evolution and forecast of spirits market (000 litres) in Mexico, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.2.2.2 Consumer profile and purchase criteria

Spirits like tequila and mezcal have always been an essential part of the Mexican culture. Furthermore, while European and US whiskies are gaining momentum among middle and upper-income Mexicans, the cocktail culture is quickly spreading among younger consumers, hence driving vodka growth in sales.

Consumers

Mexico is a heavy consumer and producer of tequila and mezcal. Furthermore, with the entrance of more and more international brands entering the market, the Mexican spirits sector have started supplying a diverse range of consumers who have been growing and diversifying preferences.

Alcohol preferences vary on the basis of several indicators including age, gender, income and areas of residence:

- **Age:** while millennials (which make up nearly 30% of Mexican population) have a distinct preference for vodka-based cocktails, adults now perceive gin as a classy and more interesting



⁹⁷ Euromonitor International: Alcoholic Drinks, 2018

product. Furthermore, both consumers categories are increasingly purchasing whisky of a higher quality.

- **Gender:** although men drink more alcohol, women are increasingly purchasing beverages such as cocktails, or whisky mixed with soft drinks, as a higher percentage of them can afford it due to full-time jobs.
- **Income:** middle and upper-income Mexicans, who represent a smaller percentage of the population, usually opt for premium spirits, especially Whisky and Cognac, which are a status symbol in Mexico. Sales of tequila, which is currently particularly popular among lower-income consumers, are projected to increase among middle and upper-income residents, as several players are rebranding this traditional drink as premium or artisanal/craft ⁹⁸⁹⁹¹⁰⁰.
- **Area of residence:** alcohol consumption is higher in the states of Jalisco (the origin of tequila), Aguascalientes, Nuevo León, Coahuila, and Michoacán, while it is more moderate in Tlaxcala, Puebla, Mexico and Chiapas¹⁰¹.

Drivers and method of consumption

As alcoholic beverages are an essential part of Mexican culture; consumption takes place on different occasions but mostly at home. Drinking spirits in bars, clubs, and restaurants is less common (except in Southern states). According to recent statistics, Mexicans are more likely to purchase spirits in company of friends (80%) and their partner, while a smaller percentage is used to drink alone (notably 15% of men and 5% of women)¹⁰².

The main drivers for the larger consumption of spirits in Mexico, are set out below:

⁹⁸ ¡Salud!: Export opportunities in the Mexican alcohol market, <https://businessmirror.com.ph/salud-export-opportunities-in-the-mexican-alcohol-market/>

⁹⁹ Euromonitor International: Alcoholic Drinks, 2018

¹⁰⁰ The Whiskey Market in Mexico, <https://www.bordbia.ie/industry/manufacturers/insight/alerts/pages/thewhiskeymarketinmexico.aspx>

¹⁰¹ Los 5 estados que más alcohol consumen son..., <http://www.elfinanciero.com.mx/rankings/los-estados-que-mas-alcohol-consumen-son>

¹⁰² Encuesta de opinión pública: Consumo de bebidas alcohólicas en México, http://www.estadisticaaplicada.com.mx/www/downloadpdf/Consumo_De_Bebidas_Alcoholicas_En_Mexico.pdf

- the wider choices for consumers, as several new international brands have entered the market;
- new lifestyle trends, as purchasing power is increasing, especially among women who increasingly are getting full-time jobs;
- the spread of a cocktail culture among new generations, and the increasing popularity of premium spirits among upper-income consumers, as indicated above¹⁰³.



Purchase criteria

Brand reputation is the most important factor in the average upper-income consumer's purchase decision making for spirits; as a result, this type of consumer is more likely to purchase whiskies, which are more and more of a status symbol in Mexico. UK whiskies in particular have benefitted from consistent advertising which has boosted their image. Price, on the contrary, drives purchases of lower-income consumers, which are therefore more likely to opt for lower-priced domestic products. That said, packaging formats and new packaging formats have attracted lower income consumers in recent years. Ready-to-drink formulations a specific example of this as they can provide such consumers with a drink containing a spirit that they would not be able to afford in a pure, bottled format. New generations tend to follow international consumption trends, hence the spread of the cocktail culture among the group. Their purchase criteria are subsequently influenced by this and ready-to-drink formats may be considered by this group for the same reason.

5.2.2.3 Recent market trends

Spirits purchases in Mexico are significant, as Mexico is a heavy producer of Tequila and Mezcal. The sector is expected to continue to perform well over the next years, driven by the growing popularity of whiskies and other premium spirits among upper-income residents, as well as white spirits for cocktails among younger consumers.

Driven by whiskies and white spirits, which will grow faster than any other segment (at respectively 5% and 7.7% CAGR), total sales of spirits are thus expected to reach up to over 314.9 million litres in 2022 (+43.4 million litres compared to 2017 figures). The demand for whisky is due to the aspirational positioning of the product (Mexican consumers consider it a sign of sophistication) combined with a larger consumer base which can afford the product. Mid-price products in particular are expected to benefit from this trend.

¹⁰³ Euromonitor International: Alcoholic Drinks, 2018

In terms of origin, UK whiskies are by far the most popular in Mexico accounting for over 10 times the volume of US imports and this split between imported UK and US whiskies is expected to remain similar over the next five years.

With regards to white spirits, demand is expected to increase off the back of the trend in cocktails, with gin in particular expected to benefit due to its image as a sophisticated product.

5.2.3 Offer

5.2.3.1 Domestic production



Mexico is well-known for its production of spirits, the most popular of which are distilled from agave. Production of Tequila, the most popular Mexican alcoholic beverage, reached over 271 million litres in 2017. As illustrated in Table 5-1, Mexico is also a large producer of several other agave-based spirits, such as: Bacanora, which can only be produced in the state of Sonora; Raicilla, named after the only Mexican area that is allowed to produce it; Pulque, the first fermented agave beverage produced in the world; Sotol, the traditional spirit of Chihuahua; and Mezcal, which is mainly produced in Oaxaca¹⁰⁴.

Table 5-1: Domestic production of agave-based spirits, 2013 vs. 2017

Product category	Production (million litres), 2013	Production (million litres), 2017
Pulque	Not available	186
Bacanora	Not available	300
Tequila	226	271
Raicilla	Not available	150
Mezcal	2.5	4
Sotol	Not available	Not available

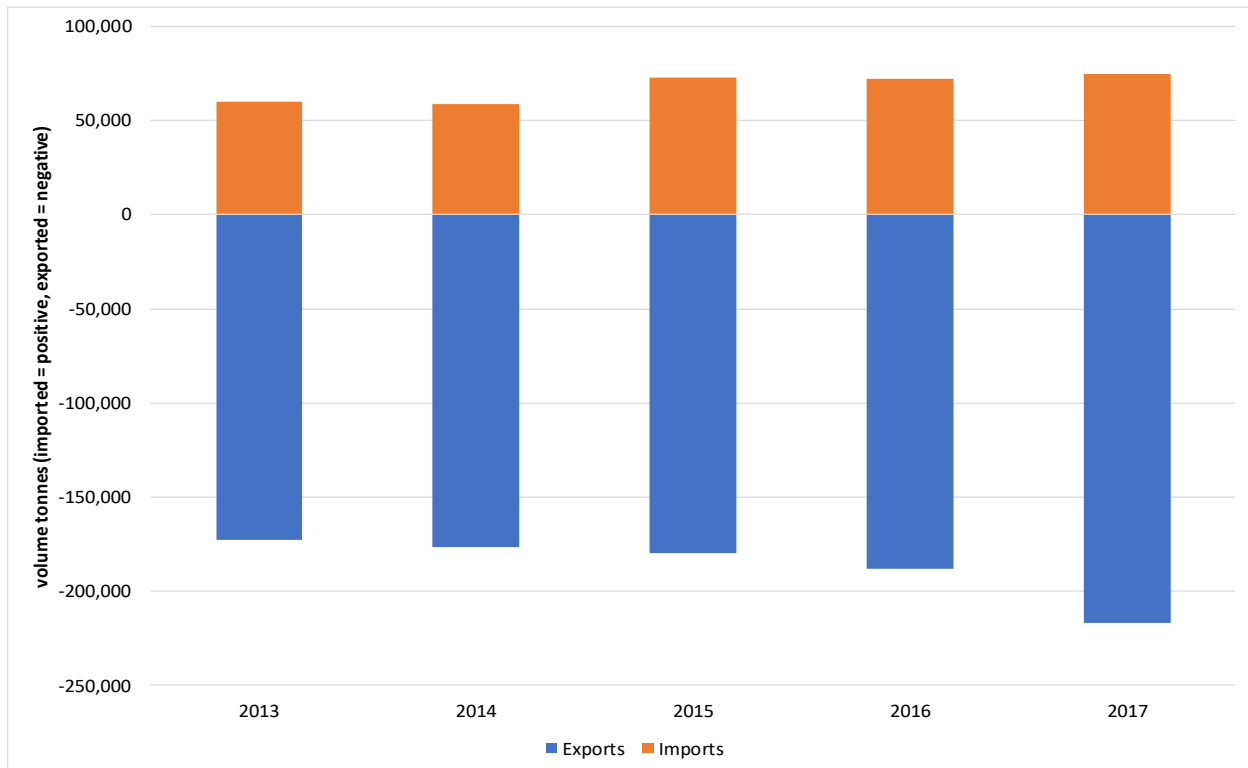
Sources: Consejo Regulador de Tequila, <https://www.crt.org.mx/EstadisticasCRTweb/>; Consejo Regulador de Mezcal, http://www.crm.org.mx/PDF/INF_ACTIVIDADES/INFORME2017.pdf; Pulque, a Traditional Mexican Alcoholic Fermented Beverage: Historical, Microbiological, and Technical Aspects, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4928461/>; Consejo Mexicano Promotor de la Raicilla, quoted in En marzo esperan que la Raicilla cuente con denominación de origen, <https://www.eloccidental.com.mx/local/en-marzo-esperan-que-la-raicilla-cuente-con-denominacion-de-origen-2688966.html>; <https://www.reporteindigo.com/indigonomics/pulque-la-bebida-se-niega-a-desaparecer-productores-impulso-nuevas-generaciones-competencia/>

¹⁰⁴ From Tequila to Sotol, Your Guide to the Agave Spirits of Mexico, <https://www.wideopeneats.com/tequila-sotol-guide-agave-spirits-mexico/>

5.2.3.2 Imports and exports

As indicated in Figure 5-7, both exports and imports of spirits have recorded a steady growth, respectively increasing by nearly 27% and 25% in 2013-2017. However, due to the large-scale domestic production and international demand for Tequila, exports of spirits have increasingly exceeded imports over the last five years. Mexico exported 216 996 tons of spirits and imported 74 520 tons in 2017. Volumes of whiskies accounted for 57% of the imports of spirits by volume; followed by grape spirits (14%); liqueurs and cordials (10%); vodka (9%); rum (7%); gin, genever and other spirits (3%) (Figure 5-8).

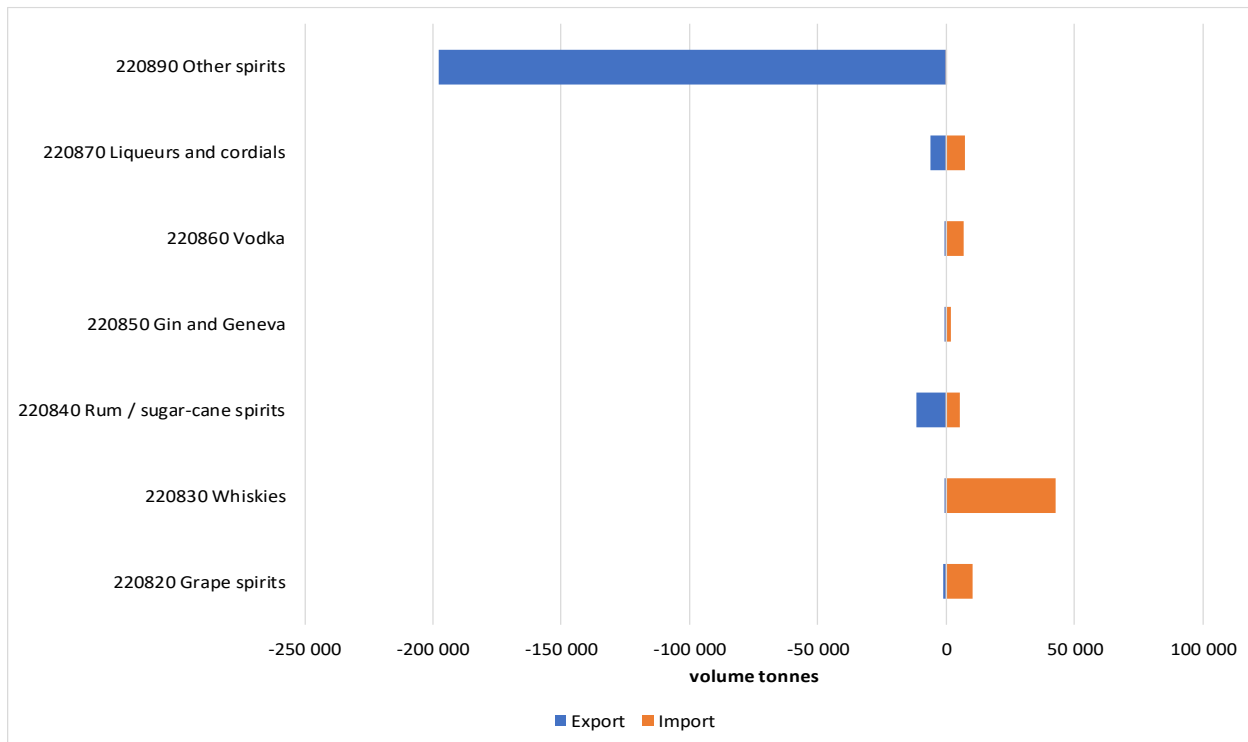
Figure 5-7: Trade balance (imports and exports) of spirits in Mexico, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208

Figure 5-8: Trade balance (imports and exports) of spirits in Mexico, by type, 2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2208
Spirit names shortened. CN codes before spirit name

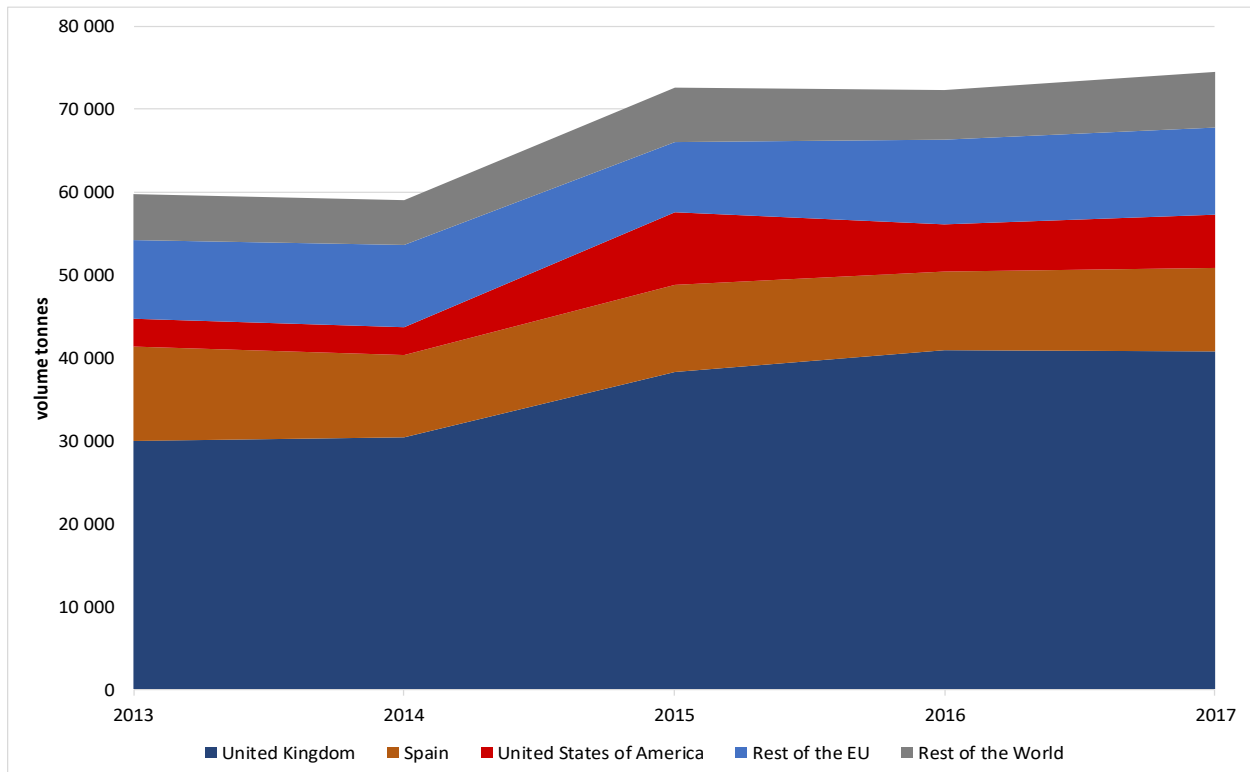
As illustrated in Figure 5-9, European exporters are very strong players in the Mexican market. In 2017, the UK, which mainly exported whisky (96% of UK spirits imports into Mexico), continued to lead imports in the category. The Latin American country is indeed the sixth largest destination for Scotch Whisky in terms of volume¹⁰⁵. Nonetheless, although remaining prominent (40 702 tonnes in 2017, or 55% of the total Mexican imports), volumes of UK exports stagnated over the last two years.

The other half of Mexican imports was divided between Spain (10 133 tonnes, or 14%), which is a heavy exporter of brandy into Mexico¹⁰⁶, and the USA (6 467 tonnes, or 9%), which mostly shipped whiskies, liqueurs and vodka. The rest of the EU accounted for 14% of total Mexican imports of spirits, with Sweden (31% of the remaining EU share), Ireland (20%) and France (17%) taking the lead.

¹⁰⁵ Scotch Whisky Association: 2017 Export Figures, http://www.scotch-whisky.org.uk/news-publications/news/2017-export-figures/#.W_ZslOhKgdU

¹⁰⁶ Trade Map, International Trade Centre - <https://www.trademap.org/>

Figure 5-9: Mexican imports of spirits by country, 2013-17; tonnes



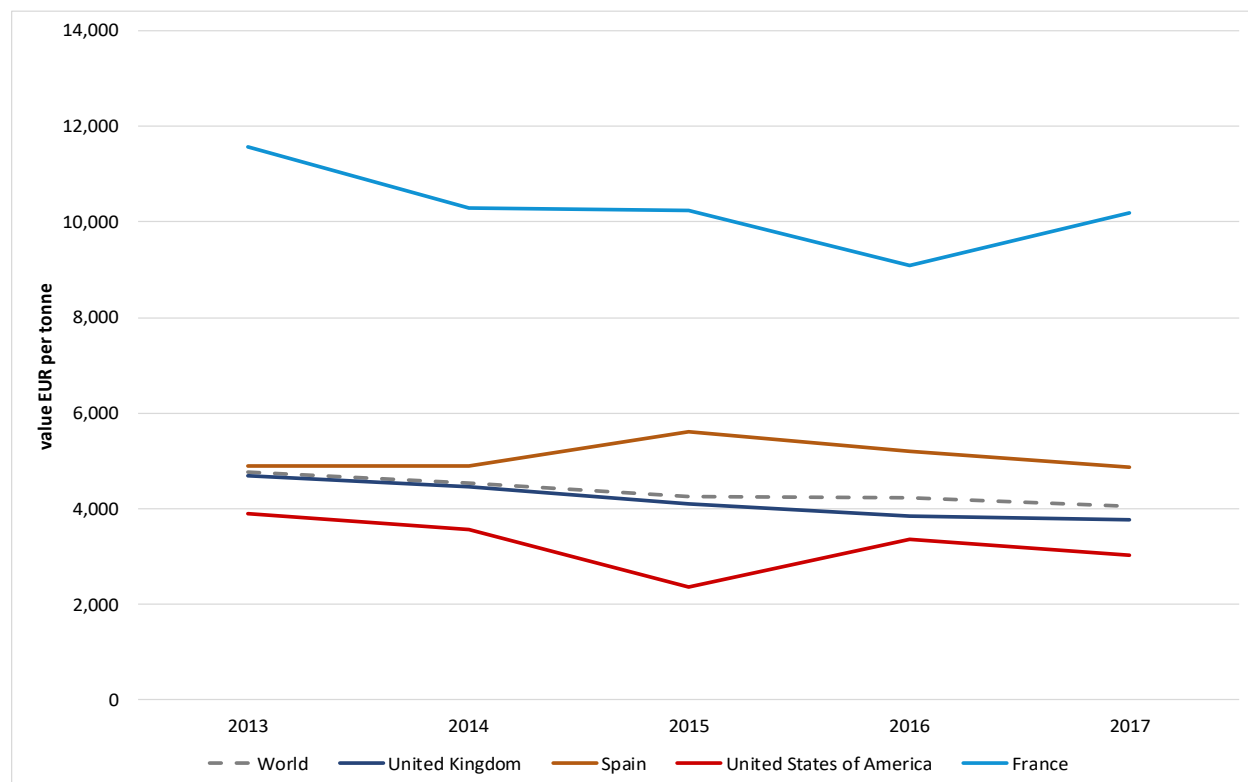
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208

In terms of per unit value, UK (3 777 EUR/tonne) and USA (3 030 EUR/tonne) per unit value was below the average of spirits imported into Mexico (4 045 EUR/tonne) in 2017. On the contrary, Spanish imports recorded a high per unit value compared to the world average. However, French imports recorded the best high unit value (namely 10 187 EUR/tonne), which is largely attributable to their imports of premium Cognac into Mexico¹⁰⁷.

¹⁰⁷ Trade Map, International Trade Centre - <https://www.trademap.org/>

Figure 5-10: Per unit value of Mexican imports of spirits for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208

5.2.3.3 EU GI products

As reported in section 9, 217 EU GI spirits are currently recognised under the 1997 Spirits agreement. This list will also be incorporated in the updated EU-Mexico trade agreement so that protection continues and is enhanced. Table 5-2 shows that most of them belong to the fruit spirits, grape mark spirits, wine spirits, liqueur and flavoured spirit drinks product categories. Among the geographical indications recognised in Mexico there are also European spirits that are heavily imported in the Latin American country, such as Scotch Whisky, Brandy de Jerez, Cognac, Irish Whisky and Swedish Vodka. The list of spirits under the existing 1997 Spirits agreement is in the process of being updated (separately from the work on the updated trade agreement); and it is expected that some GIs from Romania, Bulgaria and Croatia will be added to the list, while GIs that ceased to be protected in their country of origin will be removed. Furthermore, one liqueur product, namely the *Greek Μαστίχα Χίου* (Masticha Chiou), is set to be recognised as a GI under the modernised EU-Mexico Trade Agreement.

Table 5-2: Number of EU GIs protected in Mexico by product category (spirits)

Product category	Number of GIs protected in Mexico
Fruit spirits	62
Grape mark spirits	38
Wine spirits	37

Product category	Number of GIs protected in Mexico
Liqueur	25
Flavoured spirit drinks	17
Cider spirits & perry spirits	9
Brandy	8
Rum	7
Whisky	5
Spirit drinks	4
Grain spirits	3
Gentian spirits	3
Vodka	2
Fruit spirit drinks	2

Source: AGREEMENT between the European Community and the United Mexican States on the mutual recognition and protection of designations for spirit drinks, https://eur-lex.europa.eu/resource.html?uri=cellar:30da3b97-660b-4c8f-8822-4e0c3cda302c.0004.02/DOC_2&format=PDF

Note: some overlap in products means the sum of these numbers exceeds the number presented in the text above.

5.2.3.4 Main competitors

As described in sections 5.2.3.1, Mexico's domestic production of spirits is very large, but focused on agave-based spirits. At the same time, the volume of US exports towards Mexico has been exponentially growing in 2012-2017, thanks to the implementation of the NAFTA, which has eliminated import tariffs on most US products.

In terms of company's market shares, in 2017 the spirits competitive landscape was dominated by multinational companies and strong domestic players. Casa Cuervo, the leading producer and distributor of tequila in the country, held a 13% market share. To achieve this goal, the company has largely diversified its portfolio, offering some of the leading brands in other segments, such as Oso Negro (gin and vodka), Matusalem, Kraken and Ron Castillo (rum), among several others. Over the next years, Casa Cuervo is expected to continue to perform well in the Mexican market. Diageo, Grupo Corona, and Bacardi y Sia are other large players that have been growing in importance in the Mexican spirits market.



Finally, it should be noted that some spirits (including GI ones) have been the target of IPR infringement in recent years. Counterfeiters have generally targeted certain brands of tequila, whisky, cognac and rum. The counterfeit drinks are generally sold at large open-air markets at half the price of the original product. Such markets are particularly common in Mexico City, the state of Mexico and the state of Jalisco. Recently actions have been taken by both the authorities and the industry to counter this. On the side of the authorities, the punishment for such infringement has been greatly increased while on the industry side, QR codes have been widely introduced to facilitate the tracing of bottles.

5.2.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, spirits producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2). In terms of tariffs, almost all European products currently have duty-free access to the Mexican market, with the exception of rum (20%) for which a TRQ is being introduced in the updated EU-Mexico EPA.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=2208>

Customs procedures

A list of standard documents required for importing spirits into Mexico is presented in section 4.2.1. Furthermore, further documents may be required for custom clearance of certain spirits:

- A document confirming that importers have registered as Importers of Alcohol and Alcoholic Beverages with the Tax Administration Service;
- A sanitary licence (only required for aquavit, HS code 2208.90.01);
- Sanitary Import Permit for Medicines and Other Health-Related Products (only required for aquavit, HS code 2208.90.01).

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=2208>

SPS measures

All sanitary and Phytosanitary measures concerning the import of spirits into Mexico are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=2208>

Labelling

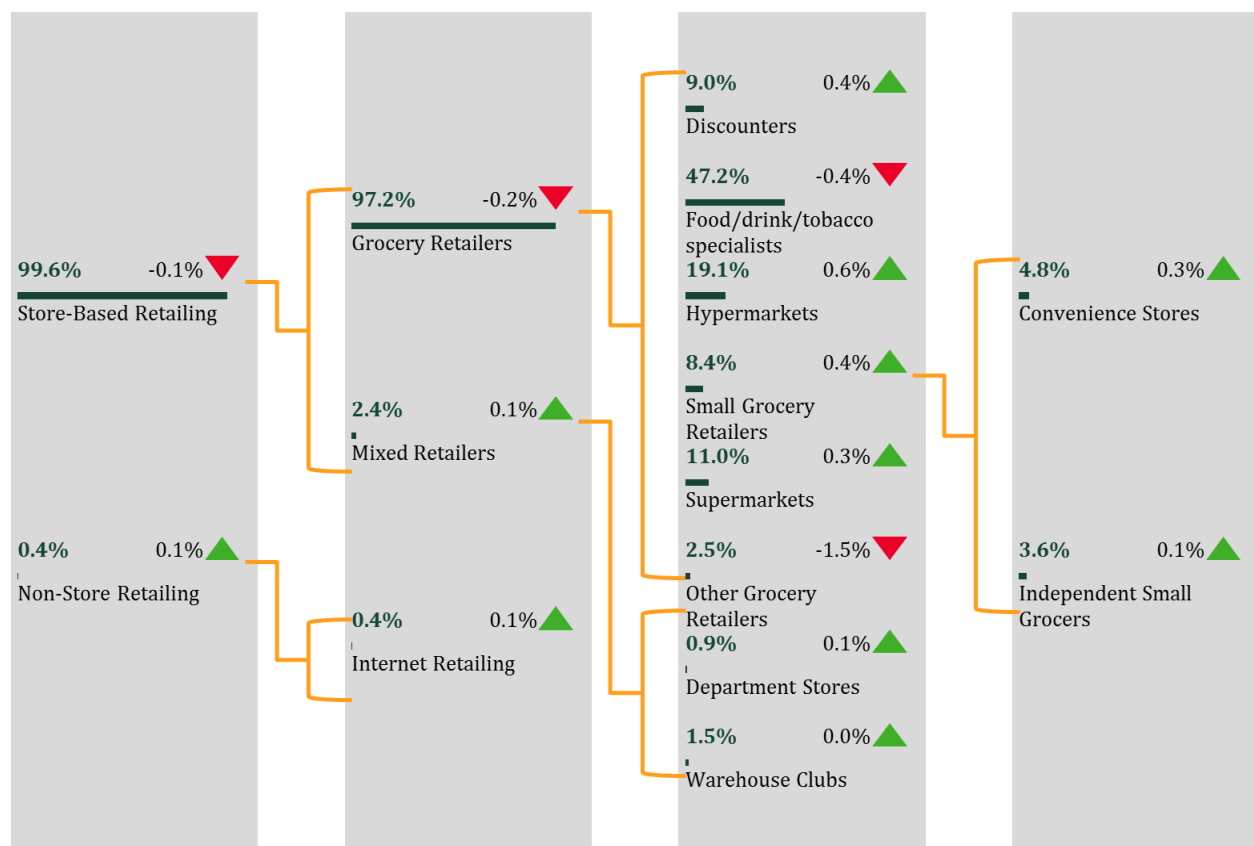
As described in more detail in section 4.2.3 (see in particular Table 4-1), spirits must comply with the specific labelling rules concerning alcoholic beverages set out in *Norma Oficial Mexicana 142*, or NOM-142-SSA1/SCFI-2014, and *Norma Oficial Mexicana 199*, or NOM-199-SCFI-2017.

5.2.5 Distribution

In Mexico, spirits are generally distributed through off-trade channels (nearly 74% in terms of volume). While on-trade channels are more important for liqueurs (46% of total sales by volume), whiskies (38%), and white spirits (35%) distribution, they are less relevant for brandy and cognac (12%)¹⁰⁸.

As outlined in Figure 5-11, the main off-trade distribution channel for spirits in Mexico are grocery retailers. Of these, in 2017 the majority were food/ drink/ tobacco specialists (47.2%) hypermarkets (19%), followed by supermarkets, discounters, and small grocery retailers (28.4%). Unlike food/ drink/ tobacco specialists and other grocery retailers, hypermarkets recorded the fastest growing trend in the last year (+0.6%).

Figure 5-11: Distribution channel overview of spirits in Mexico (2017); off trade volume



Source: Euromonitor International: Alcoholic Drinks, 2018

5.2.6 Challenges for EU products

Although EU companies are strong players in the Mexican spirits market, domestic production and international competitors confront European new importers with a significant challenge. In particular, European exporters may face direct competition from US spirits companies (which also have duty free

¹⁰⁸ Euromonitor International: Alcoholic Drinks, 2018

access to the Mexican market) in the types of spirits they export; as well as direct or indirect competition from multinational companies with a well-established presence in the country.

Market Takeaway: Spirits

Consumption: *Rising consumption of spirits and spreading cocktail culture among young people and women. Focus on premiumisation among upper-income consumers.*

Competition: *Large domestic production of agave-based spirits; US strong competitors facilitated by duty-free access under NAFTA; Multinationals owe large market shares.*

Distribution: *Mostly off-trade; and spirits are mainly distributed through specialist shops.*

Challenges: *Strong domestic production that may increasingly enter into more direct competition.*

Opportunities: *A shift towards premiumisation, as well as a more frequent consumption of alcoholic beverages, especially among women and young people.*

5.3 Dairy

5.3.1 SWOT analysis



5.3.2 Consumption

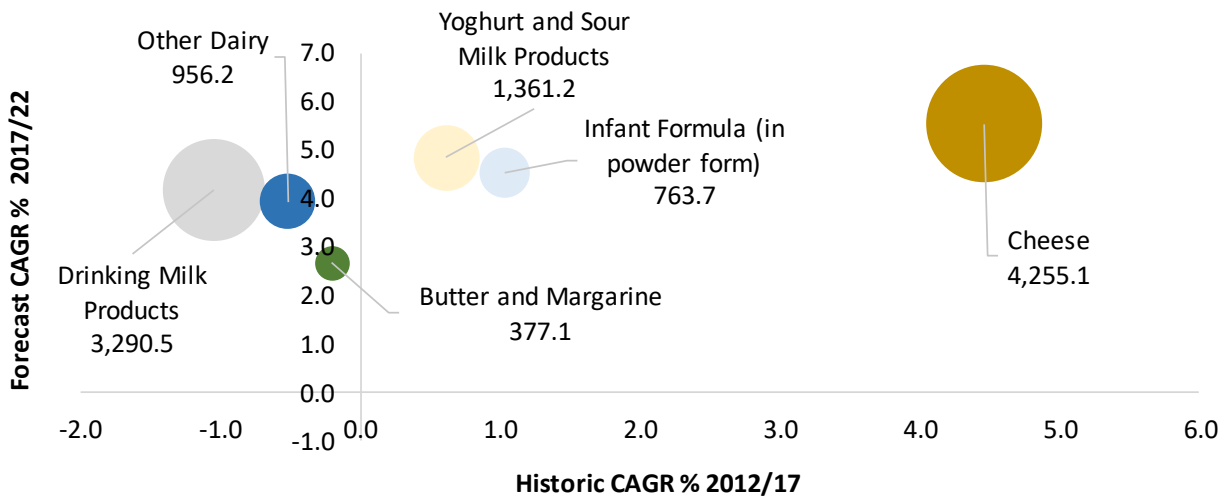
5.3.2.1 Evolution of consumption

The dairy categories in Mexico have evolved differently in recent years, with some growing while others shrank. Nevertheless, all segments are expected to note a positive growth in terms of retail value over the forecast period (Figure 5-12).

In terms of retail value, cheese remains the biggest category on the Mexican dairy market, after strong growth between 2012 and 2017 – 4.5% per year. Moreover, this segment is predicted to grow further over the forecast period – 5.5% per year. Drinking milk products, the second biggest category, on the other hand, noted a decrease in its market size (retail value wise) in years 2012-2017, however is projected to record an increase of 4.2% per year in next years.

Yoghurt and sour milk products, much smaller in market size than two previously mentioned categories, noted a positive growth in recent years (0.6% per year) and is expected to grow by 4.8% per year. Other dairy products, such as desserts, coffee whiteners or condensed milk products, like drinking milk products, have decreased in its market size in years 2012-2017, however are predicted to record positive compound annual growth rate (CAGR) in next years. As is the case with yoghurts, the market size of butter and margarine declined between 2012 and 2017 (in terms of retail value) and is expected to note a growth over the forecast period. Infant formula has been on steady rise since 2012 and its growth is projected to accelerate in next years (4.5% per year).

Figure 5-12: Evolution and forecast of dairy market (000 tonnes) in Mexico, retail value 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.3.2.2 Consumer profile and purchase criteria

Consumers

The Mexican diet has included dairy products since centuries, in particular milk and cheese. They constitute a staple food, complementing dishes (like cheese) or treated as a separate meal or a snack. While there are numerous categories within the dairy market, some overarching categories of consumer can be identified:

- **Health conscious consumers who exercise regularly:** these consumers look for dairy products that deliver energy and high protein content.
- **Parents:** these look for convenient and affordable products such as flavoured milk drinks and yoghurt which can be included in their kids' lunch boxes to deliver nutrition.
- **Young adults:** these consumers prefer convenient products that can be stored and carried around easily. Examples include convenient formats of milk products.
- **Seniors:** taste, ease of serving, and affordability are the main purchase criteria for older consumers.

More detail on consumers by dairy product category are provided below¹⁰⁹:

- **Drinking milk products:** Mexican consumers are accustomed to drink large portions of milk daily. Both fresh milk as well as shelf stable are perceived positively, however shelf stable products have been chosen more often due to their convenience-added value connected to storing. Drinking milk products are also very often a subject of social campaigns, focused on delivering milk products with significantly lower price to children, elderly or chronically ill people and less developed regions of the country (LICONSA).
- **Yoghurts:** perceived as a valid protein source; usually consumed with extra toppings such as nuts, seeds, granola, chocolate etc. In general, Greek yoghurts are perceived healthier and tastier than others, which effectively brought high availability of such products on the market. Consumers in Mexico find creamy yoghurts much more appealing.
- **Cheese:** very popular and widely used in Mexico, with traditional domestic products dominating the market (Fresco, Panela, Doble Crema, Oaxaca, Mexican Manchego and Amarillo among many others). Mexican consumers appreciate fresh, white cheeses, with mild, smooth and creamy textures. It is also common for Mexicans to use cheeses in their dishes in melted or *au gratin* forms¹¹⁰. However high-income consumers have started to shift towards hard aged cheeses as well. Furthermore, in recent years, pre-packaged cheese noted a significant increase in sales, as consumers seem to shift towards more-convenient products. The market for cheese in Mexico has been continuously growing due to influx of new cheese varieties from both domestic and foreign producers. The EU cheeses that are already on the market enjoy a positive image.
- **Butter and margarine:** consumers in Mexico perceive butter much healthier than margarine, which in general is regarded as a source of unhealthy saturated fats. Moreover, regardless to higher calories intake, butter is preferred due to the fact that butter is produced with real milk, which carries nutritional value. However, the price of margarine remains much lower.
- **Other dairy:** cream, condensed milk and *fromage frais* lead the sales in other dairy segment, as they have had their use in Mexican cuisine since long time. Mexican consumers often choose these products to prepare favourite dish or dessert. Due to the fact that the category has been rather mature, domestic producers have introduced many innovations relating to protein content or organic products.



¹⁰⁹ Euromonitor International: Packaged Food, 2018

¹¹⁰ The Cheese Market in Mexico;
http://media.firabcn.es/content/T703018/docs/2018EXPOANTAD&ALIMENTARIAMEXICO_DairySector.pdf

Sales of infant formula in Mexico has been on steady growth, as the number of mothers feeding their babies with baby food is increasing. In 2015, Mexican authorities banned free formula for new-borns at hospitals¹¹¹, nevertheless the incidence of feeding with infant formula is on rise due to higher number of women joining the workforce, thus they tend to complement or replace breastfeeding with baby food.

Drivers and method of consumption

Dairy consumption is mainly driven by Mexican dietary habits, where milk or cheese is often indispensable in daily consumption patterns. Moreover, consumers in Mexico believe that certain dairy products carry additional health added value, such as drinking milk. Another driven impacting dairy consumption is price-consciousness – many consumers tend to base their purchases on pricing, often choosing cheaper products.

In terms of method of consumption, in general, Mexicans mainly base their consumption on drinking milk products and cheese. Whereas the first is usually consumed in the form of drinking beverage, the latter is commonly used in Mexican dishes, very often in the melted form. There is also some knowledge of certain European cheeses and their usage / pairings, most notably brie, camembert, mozzarella, and parmesan; though these cheeses are generally considered premium. Other products, such as cream, butter, *fromage frais* or yoghurts find their use in meal preparations or snacking/desserts.

Purchase criteria

Mexican consumers tend to primarily base their purchases on two factors: price and products' "use" in the cuisine or broadly speaking – its applicability to Mexican dietary habits. Therefore, drinking milk purchases – regarded as a staple, are based on pricing, whereas type of cheese is chosen based not only on its price, but also on its use in Mexican dishes or knowledge of how the cheese is used/ paired. Additionally, purchases of some products, such as yoghurts or cream, are based on their flavour and texture.

In addition to the two key criteria identified above, the health qualities of dairy products may influence consumer's choices. The nutritional properties of dairy products are often advertised (vitamins and calcium for products targeting children; protein and energy for those targeting adults). Most large companies also sell a range of low fat and lactose free products which target the segments interested in these qualities.

5.3.2.3 Recent market trends

The latest market trends relate to higher availability of foreign products on the Mexican market as well as certain innovations introduced by domestic producers to already mature market. Due to influx of different varieties of cheese, there has been a tendency to look for new products, although mainly in the high-income consumers group.

¹¹¹ Mexico Bans Free Baby Formula for Newborns at Hospitals; <http://time.com/3993859/mexico-baby-formula/>



As mentioned in section 5.3.2.2, Mexican consumers perceive drinking milk products as an important ingredient of their daily diet. Recently, some products labelled as “combined dairy products” have received controversy over their use of non-dairy components combined with dairy ingredients. This segment has performed very well, mostly due to affordable prices of products; however, some pure dairy producers have raised the issue of misleading packaging issues.

In other categories, Greek yoghurt has been receiving continuous popularity, as consumers appreciate its taste and texture as well as regard these yoghurts as healthier options than other products. Moreover, butter has regained its popularity over margarine, which lately has been regarded as a source of unhealthy saturated fats, whereas butter, despite its caloric intake, is perceived much healthier.

5.3.3 Offer

5.3.3.1 Domestic production

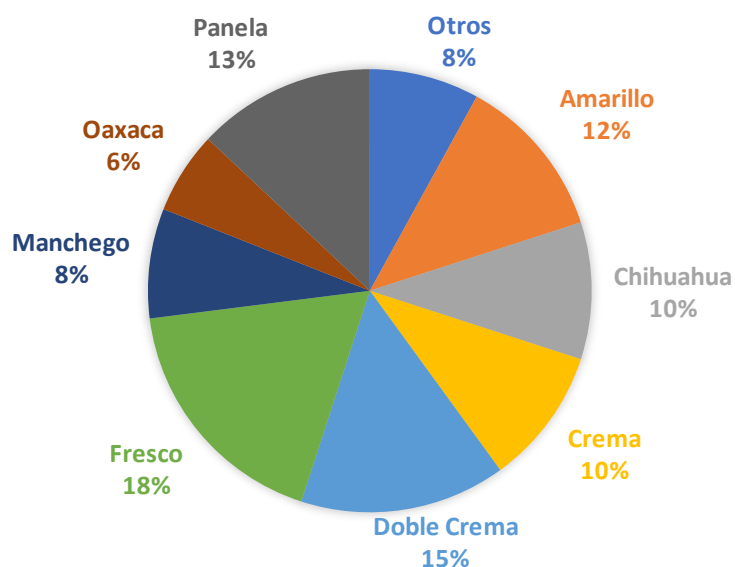
Domestic production of milk products has been on continuous rise, however it is not sufficient to meet domestic demand, especially in few segments, such as fluid milk. Currently, the Government of Mexico introduced several initiatives aiming at improving herd genetics and effectively boosting milk conversion ratio¹¹². In order to supplement domestic production, Mexico not only imports ready product from foreign country, but also puts emphasis on importing dairy cows, mainly from the US and Canada. However, the headcount of imported cows has remained relatively stable in the last three years. Moreover, improving milk quality has been one of the flagship initiatives undertaken by the authorities, supporting small scale producers and addressing cold chain facilities etc.

Cheese production in Mexico has been expanding and currently includes several types of Mexican cheese, however production of Fresco, Doble Crema, Panela and Amarillo dominate the production¹¹³. Apart from commercial production, in Mexico cheese production also takes place at the household level, especially in rural parts of the country. Mexico’s butter production has been increasing, however domestic demand is also satisfied by large imports of the product.

¹¹² Mexico, Dairy and Products Semi-Annual, New Trade Agreements with the Potential to Diversify Dairy; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Semi-annual_Mexico%20City_Mexico_5-18-2018.pdf

¹¹³ Mexico, Dairy and Products Semi-Annual, New Trade Agreements with the Potential to Diversify Dairy; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Semi-annual_Mexico%20City_Mexico_5-18-2018.pdf

Figure 5-13: Cheese production in Mexico, by type (2017)



Source: Agra Ceas based on USDA Gain Report and SIAP

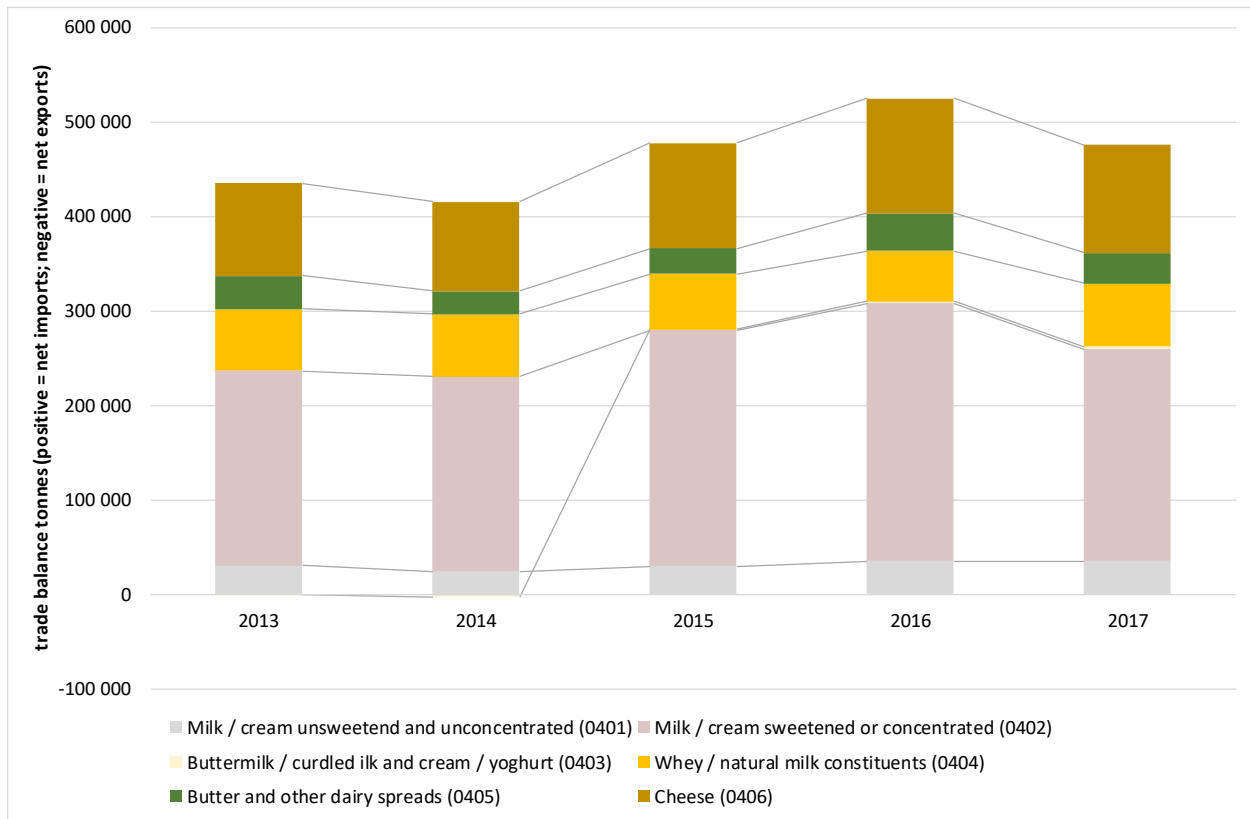
Note: Manchecho refers to Mexican Manchecho

5.3.3.2 Imports and exports

As seen in Figure 5-14, Mexican imports of dairy products significantly exceed exports volume. After a period of growth between 2014 and 2016, in 2017, import volumes have decreased. Sweetened milk, despite the drop in 2017, constitutes the largest part of imports, followed by cheese and whey, which imported volumes have stayed relatively stable.

Mexico imports dairy products almost exclusively from the United States, which covers majority of imported volume across different dairy categories, except butter. In this case, majority of imported butter comes from New Zealand. In terms of cheese imports, the US remains the major source, however countries such as the Netherlands, Chile, Uruguay and New Zealand are also among importers of cheese to Mexico (Figure 5-15).

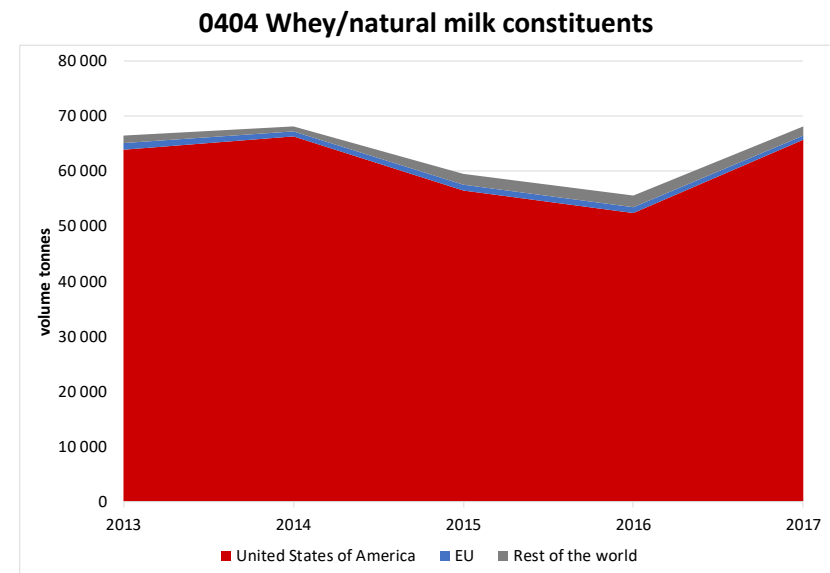
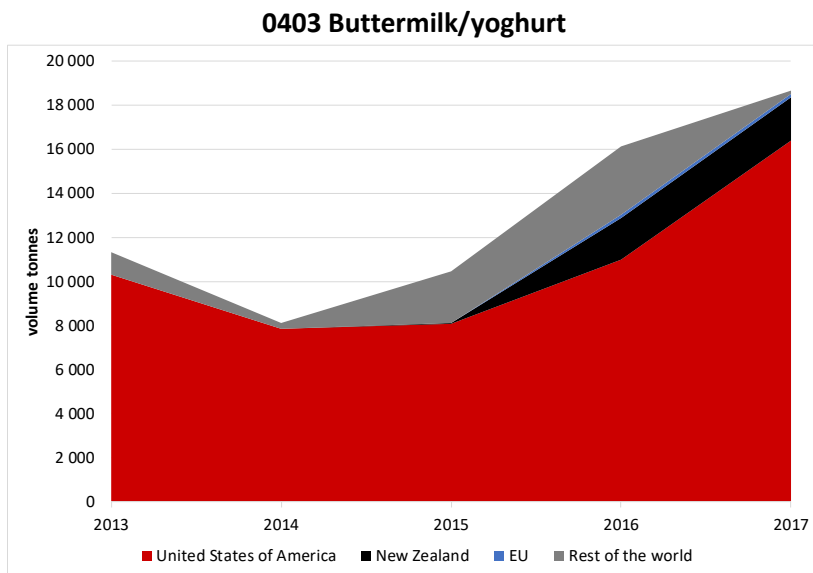
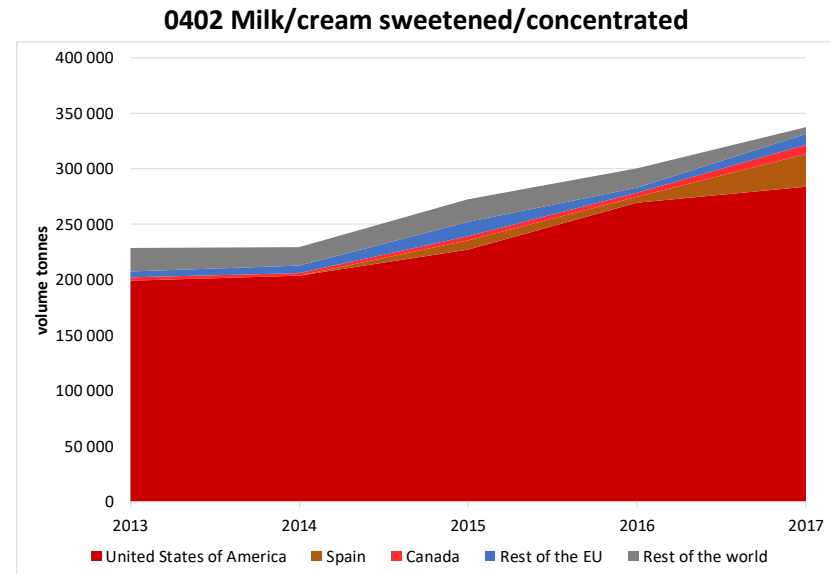
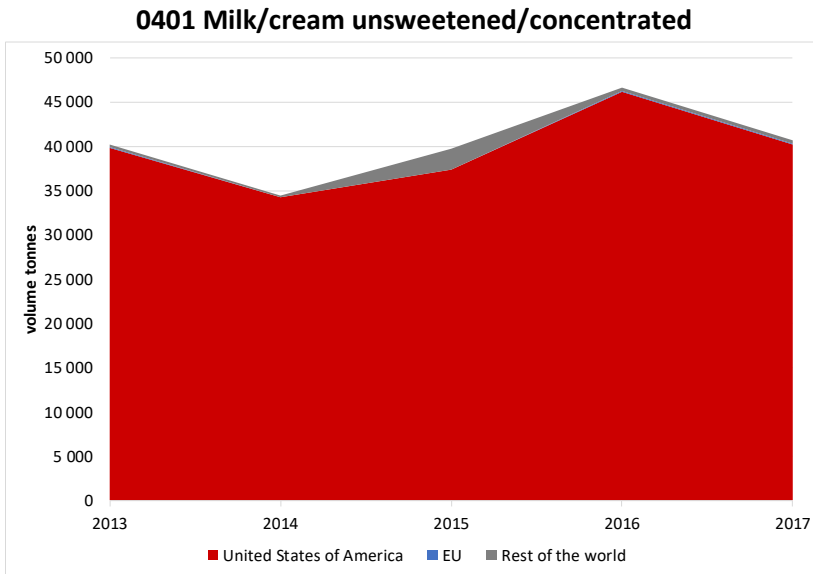
Figure 5-14: Trade balance (imports and exports) of dairy in Mexico, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> CN codes in brackets

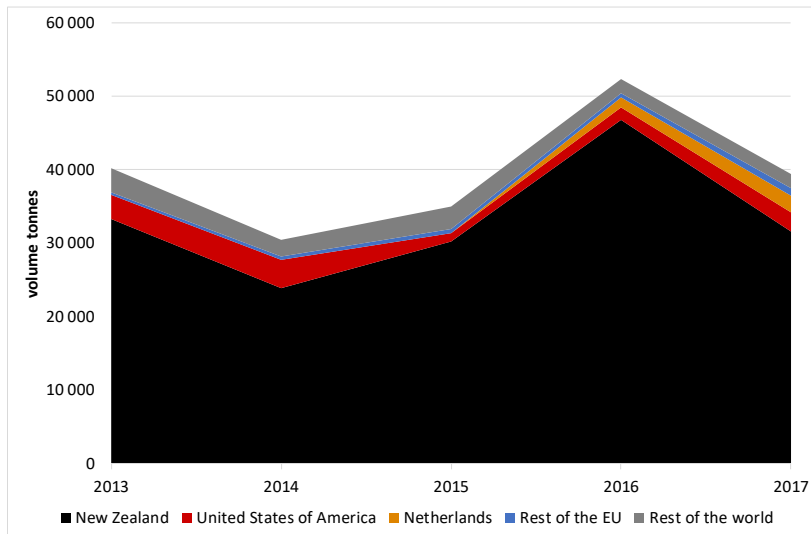
Market Entry handbook

Figure 5-15: Mexican imports of different dairy categories by country, 2013-17; tonnes

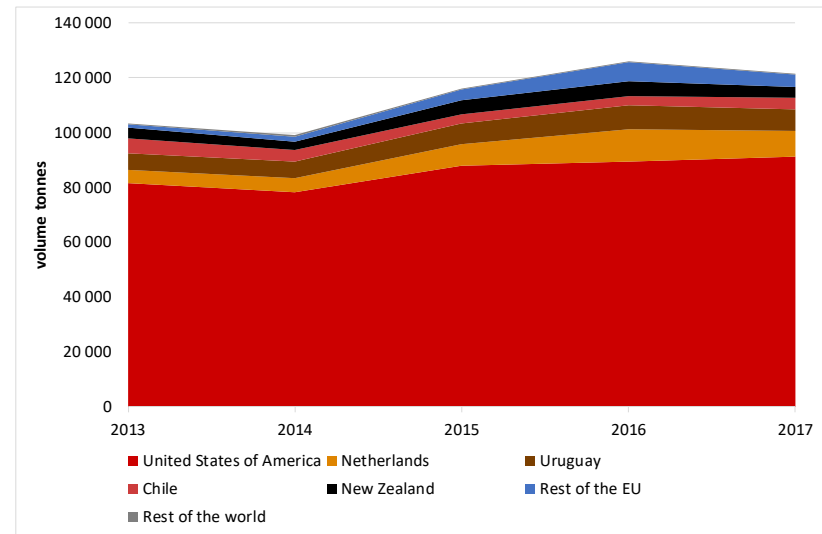


Market Entry handbook

0405 Butter/dairy spreads



0406 Cheese



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> CN codes in brackets

5.3.3.3 EU GI products

As identified in section 4.2.4 on protection EU GI products, under the new EU-Mexico Trade Agreement, 340 products are set to be protected on the market. The following dairy products have been included in the list:

- Tiroler Almkäse; Tiroler Alpkäse (Austria)
- Tiroler Bergkäse (Austria)
- Tiroler Graukäse (Austria)
- Vorarlberger Alpkäse (Austria)
- Vorarlberger Bergkäse (Austria)
- Beurre d'Ardenne (Belgium)
- Fromage de Herve (Belgium)
- Danablu (Denmark)
- Esmø (Denmark)
- Abondance (France)
- Beaufort (France)
- Bleu d'Auvergne (France)
- Brie de Meaux (France)
- Camembert de Normandie (France)
- Cantal / fourme de Cantal / cantalet (France)
- Chabichou du Poitou (France)
- Comté (France)
- Crottin de Chavignol / Chavignol (France)
- Emmental de Savoie (France)
- Époisses (France)
- Fourme d'Ambert (France)
- Gruyère (France)
- Maroilles / Marolles (France)
- Morbier (France)
- Munster; Munster-Géromé (France)
- Neufchâtel (France)
- Pont-l'Évêque (France)
- Reblochon; Reblochon de Savoie (France)
- Roquefort (France)
- Saint-Nectaire (France)
- Tomme de Savoie (France)
- Γραβιέρα Κρήτης (Graviera Kritis) - Greece
- Κασέρι (Kasseri) - Greece
- Κεφαλογραβιέρα (Kefalograviera) - Greece

- Μανούρι (Manouri) - Greece
- Φέτα (Feta) - Greece
- Asiago (Italy)
- Fontina (Italy)
- Gorgonzola (Italy)
- Grana Padano (Italy)
- Mozzarella di Bufala Campana (Italy)
- Parmigiano Reggiano (Italy)
- Pecorino Romano (Italy)
- Provolone Valpadana (Italy)
- Taleggio (Italy)
- Edam Holland (The Netherlands)
- Gouda Holland (The Netherlands)
- Hollandse Geitenkaas (The Netherlands)
- Queijo S. Jorge (Portugal)
- Queijo Serra da Estrela (Portugal)
- Queijos da Beira Baixa (Queijo de Castelo Branco, Queijo Amarelo da Beira Baixa, Queijo Picante da Beira Baixa) – Portugal
- Telemea de Ibănești (Romania)
- Cabrales (Spain)
- Idiazabal (Spain))
- Mahón-Menorca (Spain))
- Queso Manchego (Spain)¹¹⁴
- Queso Tetilla / Queixo Tetilla (Spain)
- White Stilton cheese; Blue Stilton cheese (United Kingdom)

With regards to the cheese **Manchego**, there is a specific situation relating to the use of the name. Manchego has long been produced in Mexico, but with different characteristics from the Manchego produced in Spain; Mexican Manchego is made from cow's (or sometimes goat's) milk, unlike the sheep milk-based Spanish Manchego. In view of this specific situation, it has been agreed that both the Spanish and Mexican cheeses can use the name Manchego, but there are restrictions on the characteristics. For example, the Mexican Manchego must be made from cow's or goat's milk, while the Spanish one must be made from sheep's milk. Only Spanish Manchego may display the Spanish flag or similar such visual indications linking the origin to Spain.

The use of certain components of GI names on non-EU cheeses in Mexico and the agreement on names usage under the USMCA agreement

¹¹⁴ Please consult the paragraph below the list regarding Manchego cheese.

It should be noted that certain elements of GI names or names related to EU cheeses without GI protection can be found on cheese on the market in Mexico (and the neighbouring United States). As part of the updated trade agreement between the US, Mexico and Canada (the USMCA) a side letter setting out individual terms which could be used on cheeses without leading to restrictions on access for US products was agreed. This includes terms such as: *brie*; *camembert*; *cheddar*; *edam*; *gouda*; *mozzarella*; and *ricotta*. While this agreement permits the use of these fragments on US cheeses, it should not impact the protection foreseen under the EU-Mexico Trade agreement for GIs containing one of these terms as part of its name (e.g. *Camembert de Normandie*).

The full letter with all identified terms can be found here: <https://jusmundi.com/document/pdf/Treaty/USMCA-205/en>

5.3.3.4 Main competitors

Section 5.3.3.1 outlined that domestic production of dairy products in Mexico is expanding and that there are few major producers on the market. In case of cheese Sigma Alimentos leads to the market, offering vast array of cheese varieties, followed by Grupo Lala. On the other hand, when it comes to drinking milk products, Grupo Lala has been considerably ahead of other competitors due to well-developed distribution network and national coverage. Moreover, the same company leads the market for yoghurts, also due to managing distribution of Nestle brands, however has been closely followed by Danone de Mexico. Furthermore, ACH foods is the largest producer of butter, followed by Cremeria Americana; and Nestle Mexico leads to market for other dairy products, especially in condensed milk segment, whereas Grupo Lala has a strong presence in the market for sour cream.

Given that demand is not entirely covered by domestic products (section 5.3.3.2), Mexico imports dairy products from abroad. The major importer remains the United States, leading in almost all dairy categories, except butter, where New Zealand has the strongest presence.

5.3.4 Specific market entry requirements

Market Access and Entry

Imported dairy products are subject of market entry requirements set out in the General Health Law as described in section 4.2.1.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing dairy products might require providing additional documentation concerning the Animal Health Law and Zoosanitary Requirements Module.

SPS measures

Importation of dairy products to Mexico require a set of documents to be delivered, certifying products' safety and quality.

- Sanitary Licence
- Application Sheet for Zoosanitary Requirements
- Sanitary Import Permit for Products Subject to Sanitary Surveillance
- Import Certificate for Live Animals and Animal Products
- Veterinary Health Certificate for Animal Products
- Certificate of Analysis
- Free Sale Certificate

In addition, some products (e.g. HS code 0402, 0406) might require also Advance Import Permit¹¹⁵. Please see section 5.12.4 for more information on the new pre-listing system, which will should facilitate the export process.

Up to date information on appropriate documents concerning SPS measures can be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>

Labelling

As described in section 4.2.3, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation. However, in case of dairy products, another specific law applies:

- NORMA Oficial Mexicana NOM-243-SSA1-2010¹¹⁶

5.3.5 Distribution

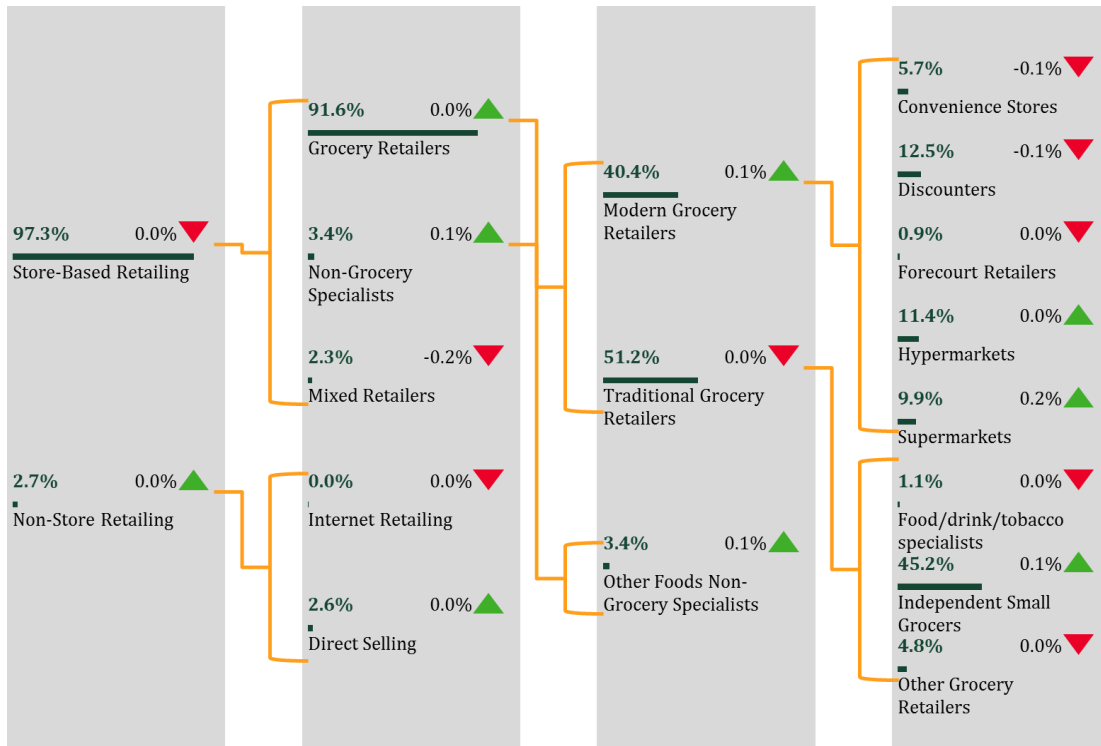
There are two retail channels important for dairy products distribution: modern grocery retailers and traditional grocery retailers (Figure 5-16). In 2017, the latter channel had above 50% of shares, in terms of retail value – mainly due to involvement of independent small grocers (45%), where Mexican consumers very often purchase dairy. Within modern grocery retailers, discounters accounted for the highest share (12% in terms of value share). Consumers in Mexico make their purchases also in hypermarkets and supermarkets (above 11% and nearly 10% in terms of retail value respectively) and less in convenience stores. Lastly, some consumers choose direct sales, when it comes to dairy products (above 2.5% in terms of retail value).

Infant formula, as presented in Figure 5-17, is distributed through three main distribution channels: modern and traditional grocery retailers and health and beauty specialists. The first group amount to the largest share (in terms of retail value), followed by health and beauty specialists and traditional retailers. Interestingly enough, infant formula, like other dairy categories, is purchased more often in discounters than in hypermarkets or supermarkets.

¹¹⁵ http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=p_i_imp&hscod=0402&countryid=MX

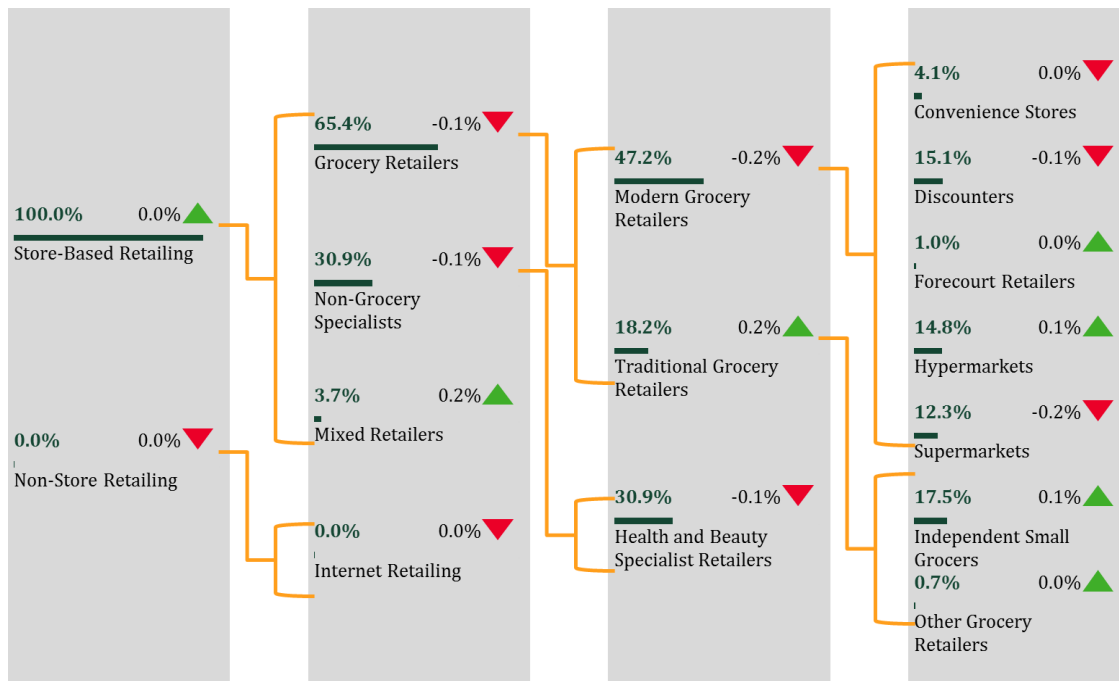
¹¹⁶ NORMA Oficial Mexicana NOM-243-SSA1-2010, Productos y servicios. Leche, fórmula láctea, producto lácteo combinado y derivados lácteos. Disposiciones y especificaciones sanitarias. Métodos de prueba; <http://dof.gob.mx/normasOficiales/4156/salud2a/salud2a.htm>

Figure 5-16: Distribution channel overview of dairy in Mexico (2017); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2018

Figure 5-17: Distribution channel overview of infant formula products in Mexico (2017)



Source: Euromonitor International: Packaged Food, 2018

5.3.6 Challenges for EU products

The main challenge for EU producers planning to export dairy products to Mexico is related to fierce competition on the market, where domestic manufacturers often have national coverage and well-developed distribution network. As detailed in previous sections, the demand for dairy products is high and any gaps are filled with imported products, mainly from the USA, which has the largest share of import volumes across all dairy categories, except butter, where New Zealand is the major importer.

Market Takeaway: Dairy

Consumption: Consumption of dairy products on the rise, especially the consumption of cheese and yoghurts.

Competition: Strong presence of domestic producers on the market. USA as major importer of dairy across different categories except butter, which in majority comes from New Zealand.

Distribution: Dairy products are in vast majority distributed through store-based retailers, with similar shares on modern and traditional grocery retailers. Significant share, in terms of retail value, of discounters.

Challenges: High competition from both domestic and foreign producers, lengthy procedures concerning import permits.

Opportunities: EU-Mexico Trade Agreement to facilitate trade relations, consumption projected to grow in next years, especially in the segment of cheese in which EU products already have a good reputation.

5.4 Olive oil

5.4.1 SWOT analysis

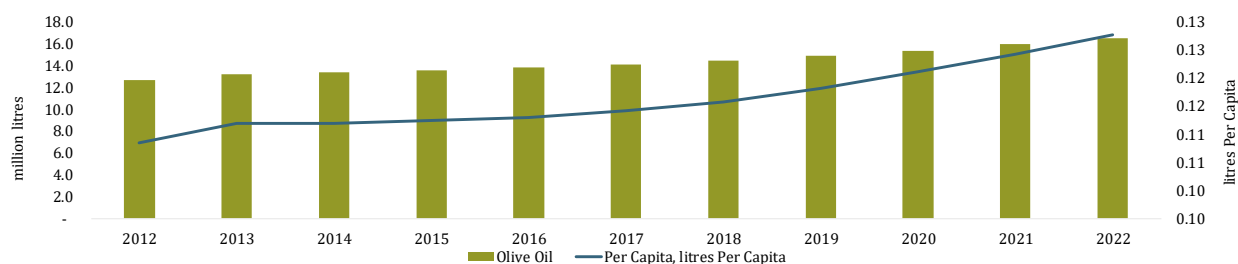


5.4.2 Consumption

5.4.2.1 Evolution of consumption

Consumption of olive oil is relatively low in Mexico, as there is not a culture of olive oil and the product is usually marketed at very high prices. Nonetheless, as outlined in Figure 5-18, consumption levels have been growing since 2012 and are projected to further rise in the coming years. Total consumption grew from 12.7 million litres in 2012 to 14.1 million litres in 2017 and is set to achieve 16.5 million litres in 2022. Per capita consumption was over 0.11 litres in 2017 and is foreseen to slightly grow over the next years, reaching 0.13 litres in 2022. Olive oil, in particular the virgin and extra virgin quality, is indeed benefitting from its reputation of high-quality product, especially among more health-aware consumers.

Figure 5-18: Evolution and forecast of market for olive oil (size; million litres) and olive oil consumption per capita, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts

5.4.2.2 Consumer profile and purchase criteria

Mexican culinary tradition provides for the use of vegetable oils, which are available in large quantities and affordable prices in Mexico. Contrarily, olive oil is pricey in the Mexican market. For this reason, the average Mexican consumers is neither educated in or accustomed to the use of olive oil. Nonetheless, olive oil popularity is growing among a niche of upper-income consumers, who purchase virgin and extra-virgin olive oil that enjoy a reputation of healthy products.

Consumers

Olive oil purchases are mostly driven by middle and upper-income consumers, as well as expatriates from Spain or Spanish descents with a high purchasing power. Olive oil is indeed perceived as a very healthy product, but expensive, as the price of olive oil can be tenfold higher than some vegetable oils. Most notably, extra-virgin olive oil qualities enjoy the reputation of natural, healthy product with properties that are beneficial for human health, a factor that has boosted its consumption.

Nonetheless, in recent years consumption has been positively affected by some factors, such as the widespread of French, Italian and Spanish restaurants, the growing popularity of the Mediterranean diet, as well as the strong touristic industry.

Drivers and method of consumption

Currently, a niche of consumers purchases olive oil mostly because of its healthy properties compared with other edible oils. In the Mexican market both virgin olive oil and other types of olive oil are available, although consumers are usually confused about the difference between them.

Olive oil is mostly known for its cold/raw use; olive oil is indeed mostly used as a salad dressing, as more affordable vegetable oils are available for cooking purposes. Unlike Mediterranean countries, Mexican consumers do not have a culture of olive oil usage for cooking. In view of the limited culture of olive oil usage and the common methods of consumption outlined above, a notable amount of olive oil is consumed through the food service sector.



Purchase criteria

Consumption of edible oils is limited by price. For this reason, only higher-income consumers tend to purchase olive oil, which is a niche product on the Mexican market¹¹⁷.

Two broad markets for olive oil consumption can be identified with differing characteristics. On one hand, there is the more boutique market focusing on high quality products, which may be found in gourmet shops and some supermarkets. On the other hand, there is the faster moving “bulk” market, which uses larger volumes and for which low price is important. While supermarket private brands play an important role in distribution for this second market, the end user is often the food service sector (who may buy this product in volume from supermarkets)¹¹⁸.

5.4.2.3 Recent market trends

Consumption of olive oil, although very low, recorded a 2.1% annual growth between 2012 and 2017. Furthermore, in the coming years, yearly consumption is set to grow faster, at a 3.2% annual rate, driven by the increasingly larger number of middle-income consumers who are more and more health-conscious. For these reasons, the volume of olive oil consumed in Mexico is expected to achieve 16.5 million litres, growing by 17% compared to the 2017 levels¹¹⁹.

5.4.3 Offer

5.4.3.1 Domestic production



mixtures¹²⁰.

Domestic production of olive oil is negligible. A few domestic producers are concentrated in the area of Baja California, but produce small volumes, which are usually intended for consumption in the mere region. Olive oil production is hampered by the climate, the unsuitability of crops and the presence of pests, among others. Nonetheless, Mexico is a great producer of other types of vegetable oils, such as safflower, sunflower, soybean, turnip or maize, as well as other types of edible oils and

¹¹⁷ El Mercado de Aceite de Oliva en México, <http://www.sbntrade.com/?p=544&lang=es>

¹¹⁸ <http://www.agro-alimentarias.coop/ficheros/doc/05567.PDF> ;
<https://www.odepa.gob.cl/odepaweb/publicaciones/doc/4686.pdf>

¹¹⁹ Euromonitor International: Packaged Food, 2018

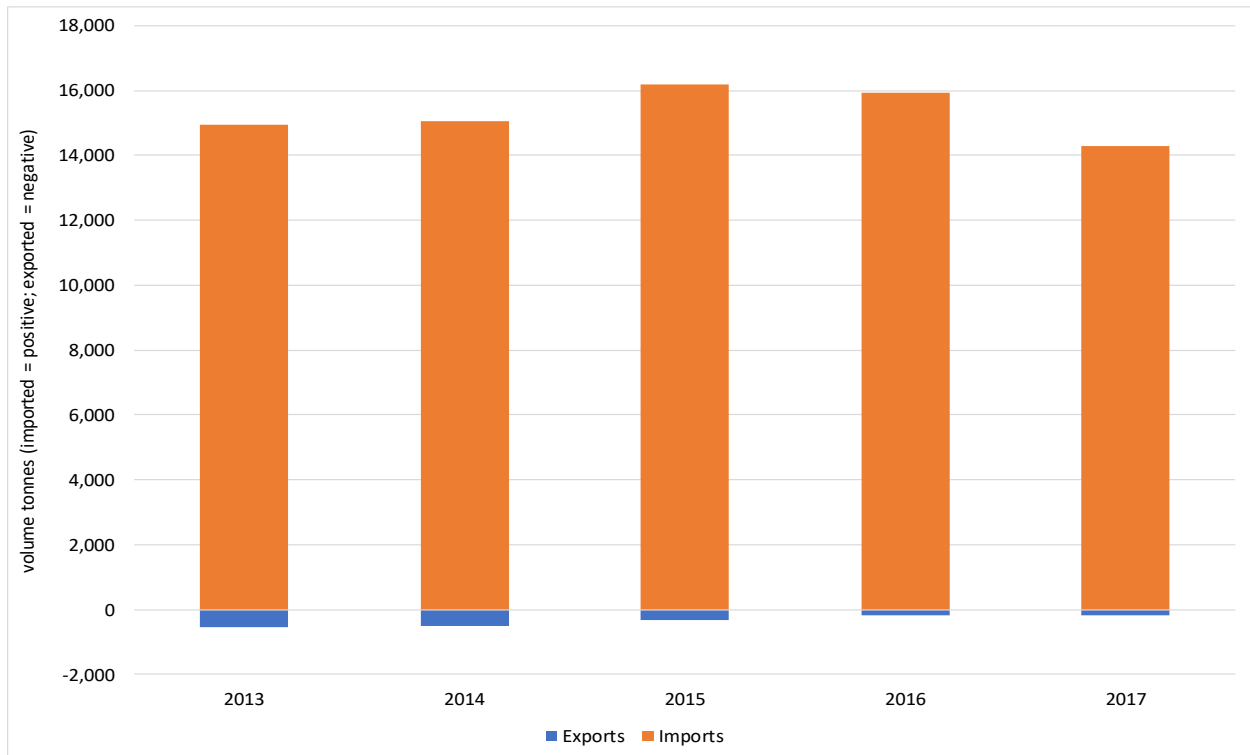
¹²⁰ El Mercado de Aceite de Oliva en México, <http://www.sbntrade.com/?p=544&lang=es>

5.4.3.2 Imports and exports

As domestic production is almost inexistent, imports of olive oil largely exceed exports of this product, as indicated in Figure 5-19 . Imports volume have started slightly dropping in the last two years, mainly due to the lower levels of production in some major exporting markets.

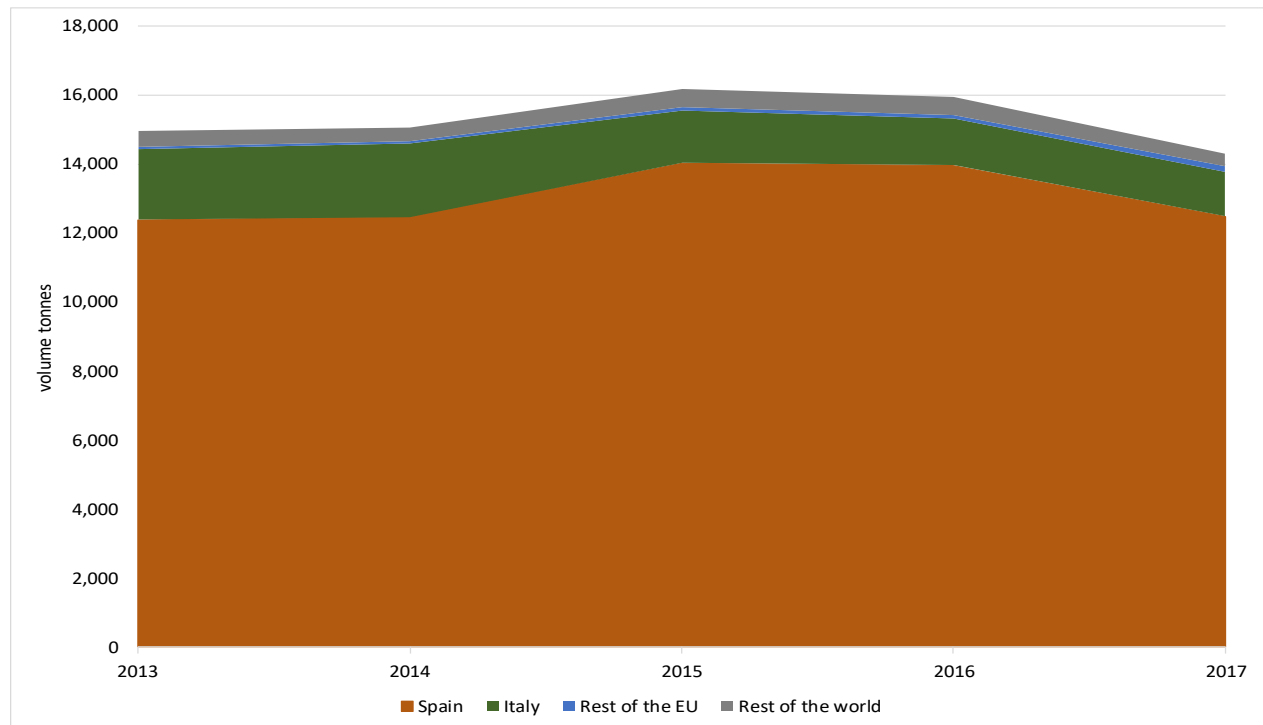
As indicated in Figure 5-20, with 12 475 tonnes, Spain was the leading supplier of olive oil to the Mexico in terms of volume, accounting for 87% of total Mexican imports of olive oil in 2017. Italy followed, with 1 304 tonnes, or 9% of the total Mexican imports.

Figure 5-19: Trade balance (imports and exports) of olive oil in Mexico, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

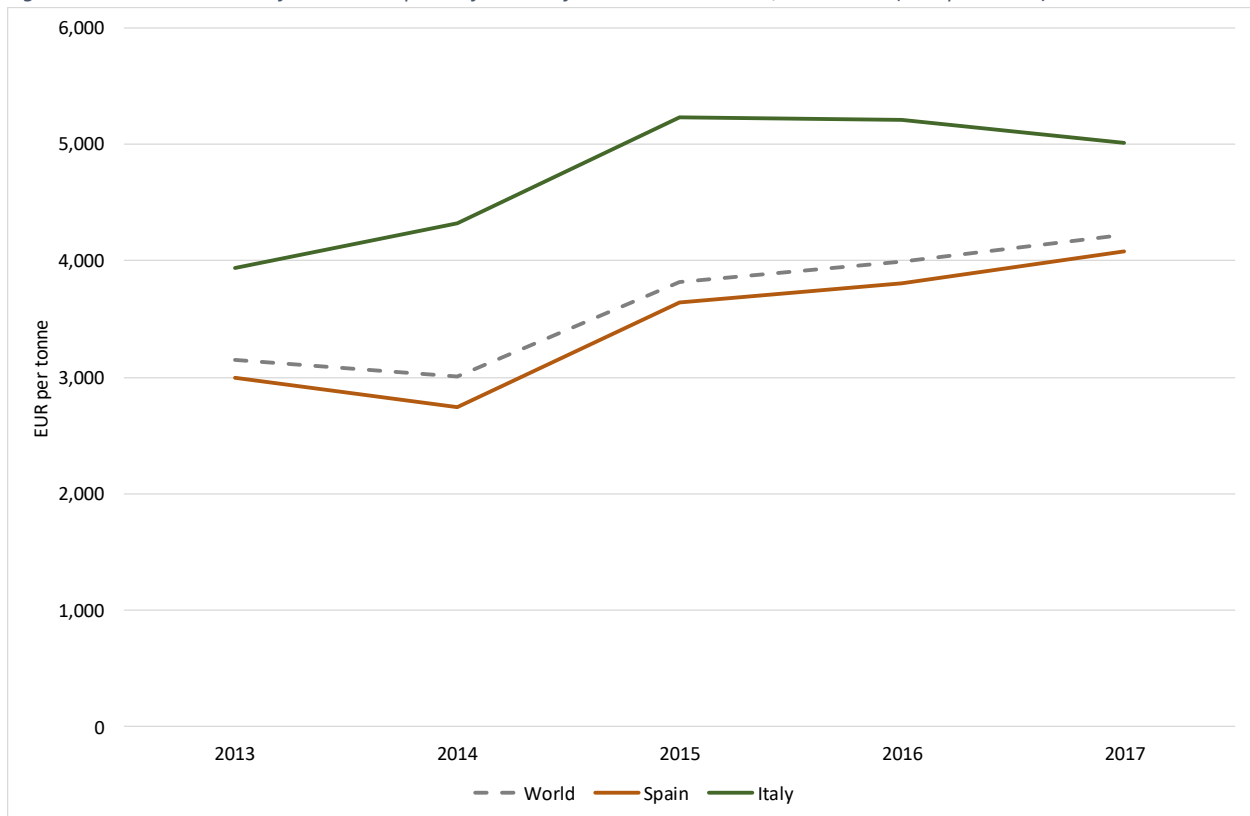
Figure 5-20: Mexican imports of olive oil by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

Due to the high volume exported, Spanish olive oil was valued EUR 51 million, vis-à-vis EUR 1.3 million recorded by Italian exports. As indicated in Figure 5-21, the unit value of Spanish olive oils is on the rise, growing from 2 745 EUR/tonne in 2014, to 4084 EUR/tonne in 2017. The value of Italian olive oil, on the contrary, has started dropping after 2015, down to 5013 EUR/tonne. Nonetheless, unlike Spanish exports, Italian ones continue to have a higher per unit value compared to the average unit value of all olive oils imported into Mexico (2 516 EUR/tonne).

Figure 5-21: Per unit value of Mexican imports of olive oil for selected countries, 2013-2017 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

5.4.3.3 EU GI products

As reported in section 4.2.4, under the modernised EU-Mexico Trade Agreement, several products are set to be recognised as Geographical Indications in Mexico, including 29 olive oil products from Spain (12), Greece (8), Portugal (6), Italy (2), and France (1). These are:

- Huile d'olive de Haute-Provence - France
- Καλαμάτα (Kalamata) - Greece
- Κολυμβάρι Χανίων Κρήτης (Kolymvari Chanion Kritis) - Greece
- Λακωνία (Lakonia) - Greece
- Λέσβος / Μυτιλήνη (Lesvos / Mytilini) - Greece
- Λυγουριό Ασκληπιείου (Lygourio Asklipiou) - Greece
- Πεζιά Ηρακλείου Κρήτης (Peza Irakliou Kritis) - Greece
- Σητεία Λασιθίου Κρήτης (Sitia Lasithiou Kritis) - Greece
- Χανιά Κρήτης (Chania Kritis) - Greece
- Aprutino Pescarese - Italy
- Toscano - Italy
- Azeite de Moura - Portugal
- Azeite do Alentejo Interior - Portugal
- Azeites da Beira Interior (Azeite da Beira Alta, Azeite da Beira Baixa) - Portugal
- Azeite de Tras-os-Montes - Portugal
- Azeites do Norte Alentejano - Portugal
- Azeites do Ribatejo - Portugal
- Aceite del Baix Ebre-Montsià; Oli del Baix EbreMontsià - Spain
- Aceite del Bajo Aragón - Spain
- Antequera - Spain
- Baena - Spain
- Estepa - Spain
- Les Garrigues - Spain
- Priego de Córdoba - Spain
- Sierra de Cádiz - Spain
- Sierra de Cazorla - Spain
- Sierra de Segura - Spain
- Sierra Mágina - Spain
- Siurana- Spain

5.4.3.4 Main competitors

As indicated in section 5.4.3.2, European countries lead exports of olive oil to Mexico. Although United States imports are on the rise, they account for less than 1% of all Mexican imports by volume.

5.4.4 Specific market entry requirements

Market Access and Entry

As described in section 4.2.1, olive oil producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2).

European products are currently advantaged in terms of market access, as their products do not face any import duty.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=1509>

Customs procedures

A list of standard documents required for import olive oil into Mexico is presented in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1509>

SPS measures

All sanitary and Phytosanitary measures concerning the import of olive oil into Mexico are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1509>

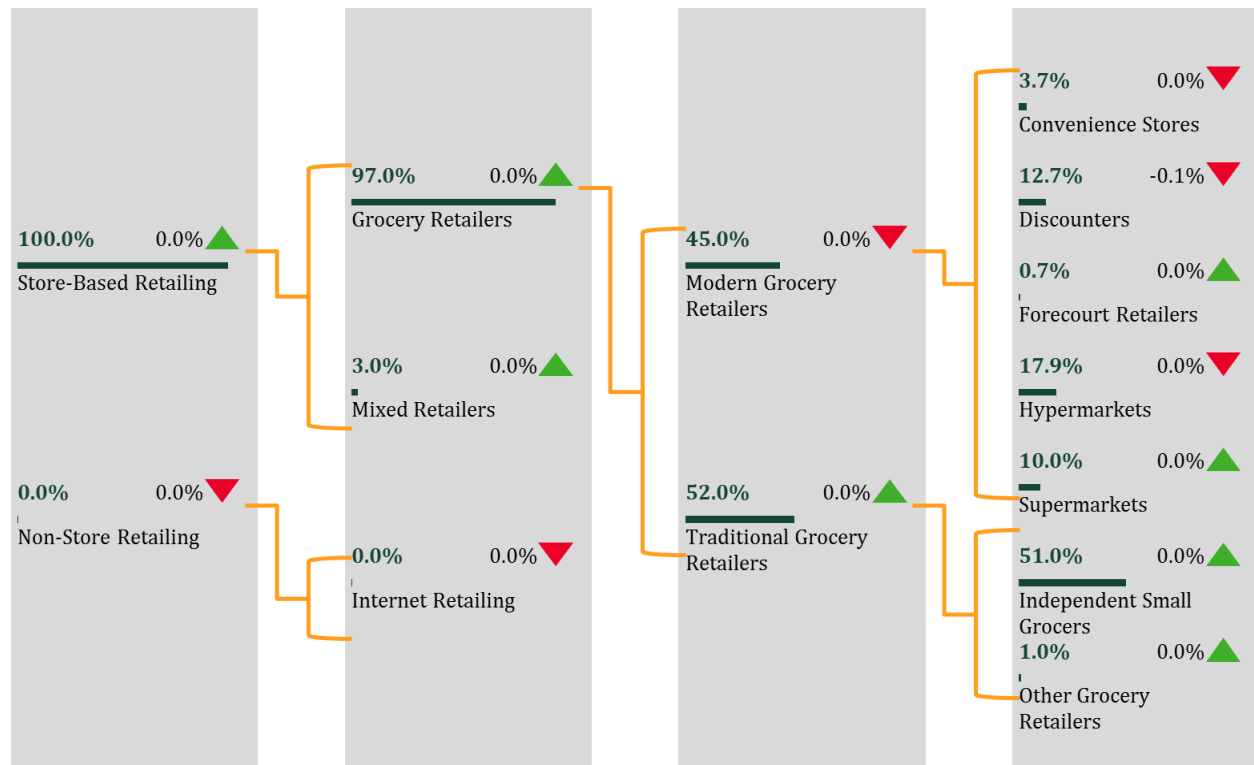
Labelling

As described in more detail in section 4.2.3, imported olive oil must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051- SCFI/SSA1-2010.

5.4.5 Distribution

As outlined in Figure 5-22, distribution of edible oils (including olive oil) in Mexico entirely relies on store-based retailing, specifically grocery retailers (97%). Of these, in 2017 over half were traditional grocery retailers, especially independent small grocers, while 45% were modern grocery retailers, mostly hypermarkets (17.9%), discounters (12.7%) and supermarkets (10%). However, as seen in section 5.4.2.2, in the specific case of olive oil, more specialist gourmet shops are important for higher quality products; and the food service channel ultimately plays an important role in overall olive oil consumption.

Figure 5-22: Distribution channels overview of edible oils (including olive oil) in Mexico (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.4.6 Challenges for EU products

Although Spanish and Italian companies are responsible for almost all exports of olive oil into Mexico, the average local consumer is not educated on the use of this product. Most consumers are indeed not aware of the possible use of olive oil for cooking, and merely recognise it as a salad dressing. The main reason is that Mexico is a heavy producer of other vegetable oils, which are more commonly used in Mexican cuisine, as they are available at lower prices. Although health-aware and upper-income consumers are increasingly purchasing olive oil, they represent a small niche.

Market Takeaway: Olive oil

Consumption: Consumption of high-quality olive oil, i.e. virgin and extra virgin qualities, is on the rise, but merely regards a niche of upper income consumers.

Competition: The European companies dominate the olive oil market (only 4% of the total Mexican imports comes from non-EU countries). Domestic production is negligible.

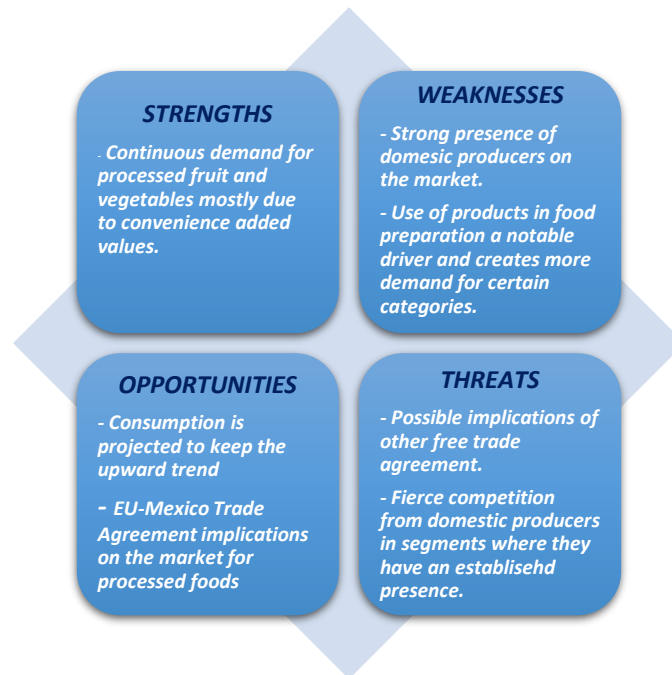
Distribution: Overall, store-based retail is dominant. The food service channel is important for the ultimate distribution of olive oil as a whole. Specialist gourmet shops are important for the boutique market.

Challenges: Most Mexican consumers are merely aware of the use of cold/raw olive oil, and mostly use other cheaper vegetable oils for cooking. Many consumers are priced out of this market.

Opportunities: European olive oil has tariff-free access to the Mexican market and its popularity is constantly growing driven by the increasing interest in health issues.

5.5 Processed fruit and vegetables

5.5.1 SWOT analysis

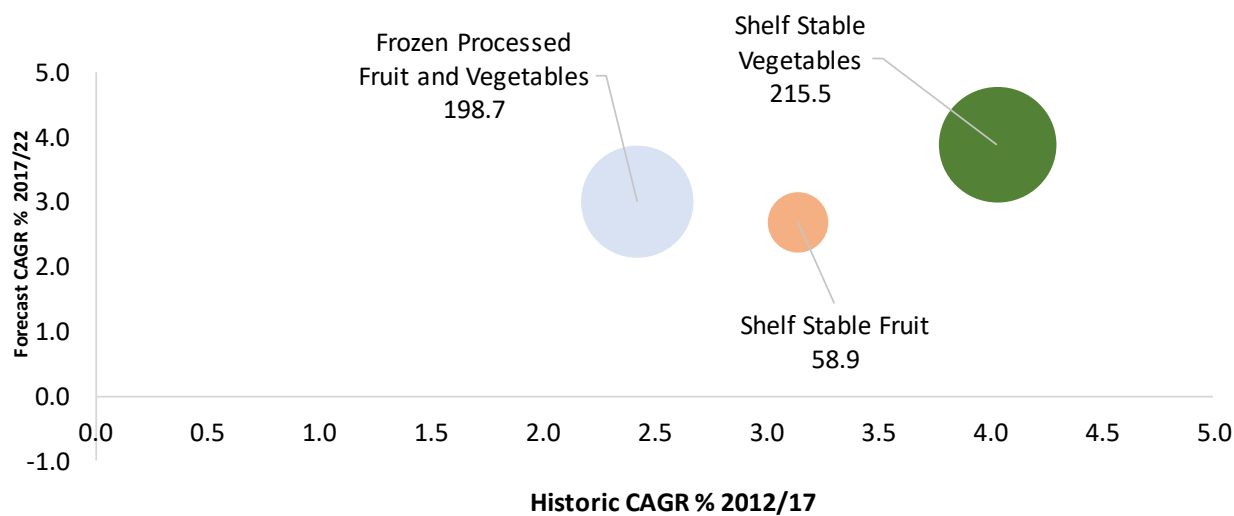


5.5.2 Consumption

5.5.2.1 Evolution of consumption

As presented in Figure 5-23, the market for processed fruit and vegetable in Mexico has been on rise. There have been two leading categories – shelf stable vegetables being the biggest in terms of market size and frozen processed fruit and vegetables. The first segment rose steadily, noting 4.0% growth per year and is predicted to continue this trend, whereas frozen fruit and vegetables grew by 2.4% CAGR, however it is expected to pick up to 3.0% per year in next years. Lastly, shelf stable fruit products have been on rise and are projected to keep the upward trend.

Figure 5-23: Evolution and forecast of processed fruit and vegetable market (000 tonnes) in Mexico, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.5.2.2 Consumer profile and purchase criteria

Consumers



In spite of the fact that fresh fruit and vegetable are far more popular than processed products, Mexican consumers appreciate the processed version due to their convenience added value. Many such products, especially shelf stable vegetables, are commonly used during preparation of various dishes, e.g. shelf stable beans. Therefore, products used in chilli sauces, cooking sauces and pickled products have gained popularity¹²¹. Moreover, frozen processed fruit and vegetables have been receiving more and more

attention more broadly, mainly due to their convenience, longer shelf life and shorter meal preparation.

Drivers and method of consumption

As mentioned above, processed fruit and vegetable products are used during meal preparation, which is the key driver for consumption. This in turn impacts the popularity of types of processed fruit and (in particular) vegetables consumed; for example, beans and *tomatillos* (green tomatoes in husks) are particularly popular due to their use in several traditional Mexican recipes. In addition, such products are in general perceived as healthier than most processed products, which may also be regarded as a driver.

¹²¹ Euromonitor International: Packaged Food, 2018

Purchase criteria

Consumers in Mexico base their processed fruit and vegetables mainly on their convenience added value when preparing meals. As noted above, functionality for the recipe is therefore a key purchase consideration. Additionally, features such as packaging, size of pouches/formats play a role, as consumers seek for their products to stay fresh as long as they can. Lastly, Mexican consumers tend to be price-sensitive and seek a good price-quality relationship for processed fruit and vegetable products.

5.5.2.3 Recent market trends

Generally speaking, shelf stable products have been more popular than frozen fruit and vegetables, and in recent years the demand for them has further accelerated. The latest trend in the market has concerned packaging, which has become more sophisticated due to improved humidity for instance or facilitated handling of the product. Moreover, some producers have decided to introduce smaller and revised formats/pouches, as recently consumers have started to pay greater attention to freshness of processed fruit and vegetables products.

5.5.3 Offer

5.5.3.1 Domestic production

The market for processed fruit and vegetables in Mexico is rather divided into several major domestic producers. The biggest Conservas la Costeña, offers a wide range of products, mainly shelf stable. The company has developed solid consumer base in the country due to association to widely known shelf stable beans, chilli and cooking sauces and various pickled products. Other local companies present on the market include Sabormex SA de CV, Herdez SAB de CV, Group, Frigorizados La Huerta SA de CV and ConAgra Foods de Mexico among others.



5.5.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetables is extremely complicated due to the number of different lines under which such products can be imported. Trade in processed fruit and vegetables was captured in the data presented in section 5.11.3.2 on trade in fruit and vegetables as a whole. As noted above, the market is anyhow mainly supplied by domestic producers.

5.5.3.3 EU GI products

As identified in section 4.2.4 on protection EU GI products, under the new EU-Mexico Trade Agreement, 340 products are set to be protected on the market. The following processed fruit and vegetable products have been included in the list:

- Steirischer Kren (Austria)
- Pruneaux d'Agen ; Pruneaux d'Agen mi-cuits (France)

- Ελιά Καλαμάτας (Elia Kalamatas) – Greece)
- Πράσινες Ελιές Χαλκιδικής (Prasines Elies Chalkidikis) – Greece
- Magiun de prune Topoloveni (Romania)

5.5.3.4 Main competitors

As section 5.5.3.1 identified, domestic producers are strongly present on the market for processed fruit and vegetables in Mexico. Given that their distribution network services are well established throughout the country and their brands are generally well known by the mass market, they are in better position to reach the clientele in Mexico.

5.5.4 Specific market entry requirements

Market Access and Entry

Imported processed fruit and vegetables are subject of market entry requirements set out in the General Health Law as described in section 4.2.1.

Customs procedures

A list of standard documents necessary for exportation of processed fruit and vegetables to Mexico as well as the overview of the procedure is presented in section 4.2.1.

SPS measures

Despite no particular SPS measures foreseen, importation of processed fruit and vegetables into Mexico require set of documents to be delivered, certifying products' safety and quality, which can be consulted on the link below.

Up to date information on appropriate documents concerning SPS measures can be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>

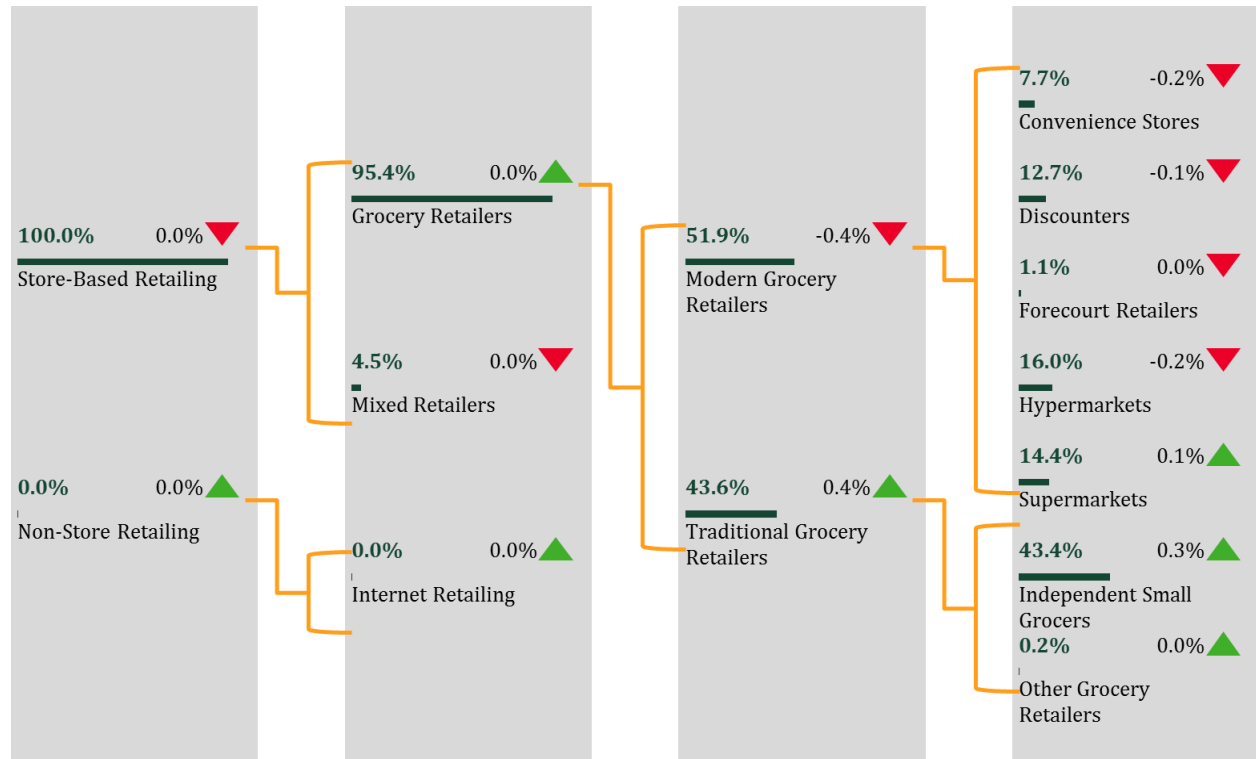
Labelling

As described in section 4.2.3, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

5.5.5 Distribution

Processed fruit and vegetables in Mexico are being distributed exclusively through store-based retailers, through modern grocery retailers and traditional grocery retailers in similar shares, with the first group having slightly bigger share in terms of retail value. In 2017, considering modern retailers, consumers purchased processed fruit and vegetables the most often in hypermarkets and supermarkets, followed by discounters. However, above 40% of consumers decided to purchase their products in independent small grocers.

Figure 5-24: Distribution channel overview of processed fruit and vegetables in Mexico (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.5.6 Challenges for EU products

As previous sections outlined, processed fruit and vegetables market in Mexico is characterized by the strong presence of domestic manufacturers, having developed wide distribution network and often properly matching consumer preferences.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumption has been gradually growing; shelf stable products are preferred and continue to grow, however consumption of frozen products has also accelerated. Use in food preparation a key driver.

Competition: Numerous domestic producers specialised either in stable shelf or frozen products leading the market.

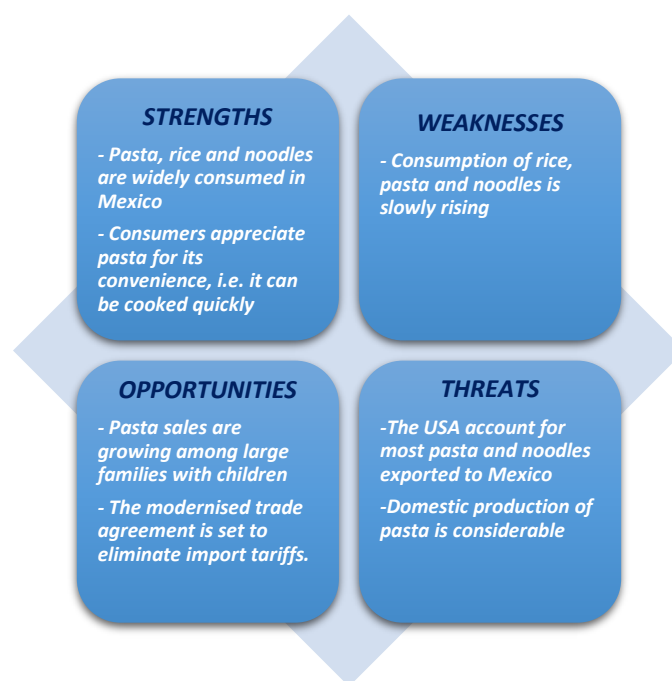
Distribution: Processed fruit and vegetables are exclusively distributed through store-based retailers (in 2017), such as hypermarkets and supermarkets or independent grocery retailers.

Challenges: Competition from domestic producers with established distribution networks and who match consumer preferences.

Opportunities: EU-Mexico Trade Agreement removal of tariffs and protection for some GIs; consumption on rise.

5.6 Pasta

5.6.1 SWOT analysis



5.6.2 Consumption

5.6.2.1 Evolution of consumption

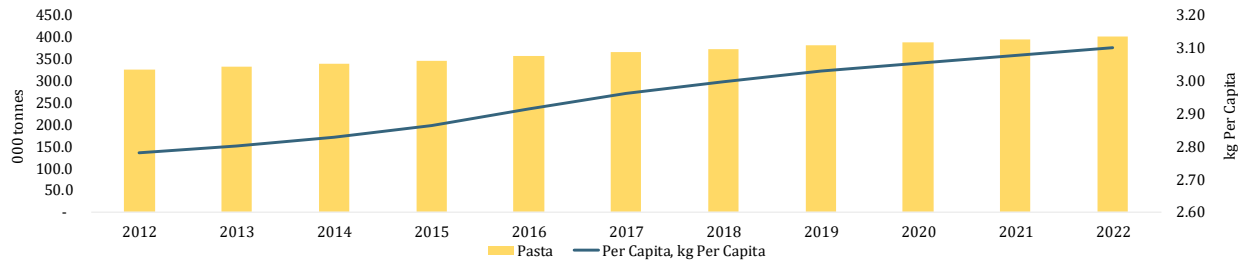
The total consumption of pasta, rice and noodles as a whole is on the rise in Mexico, mainly driven by increasing sales of pasta, which is perceived as a convenient and healthy staple.

Total pasta consumption in Mexico grew at an annual rate of 2.4% in 2012-2017 and is projected to see sustained growth in the coming years, passing from above 365 700 tonnes in 2017 to around 401 200 tonnes in 2022 (Figure 5-25). Per capita consumption of pasta, which grew from 2.8 kg per capita in 2012, to 3.0 in 2017, is expected to moderately increase in the coming years, exceeding 3.1 kg in 2022.

Noodles, on the contrary, struggled with the perception of being high in calories and low in nutrients. For this reason, noodles total and per capita sales recorded a negative performance, growing at a -0.9% annual rate in 2012-2017. This trend is set to continue in the future, as consumption, which peaked in 2014, reaching 79 400 tonnes, is set to go down to 69 000 tonnes in 2022.

Rice remained the most purchased food in the category and is expected to grow at a faster rate compared to pasta and noodles in the coming years. Current consumption of rice, namely over 813 800 tonnes, is set to achieve over 901 500 tonnes in 2022 (Figure 5-26)¹²².

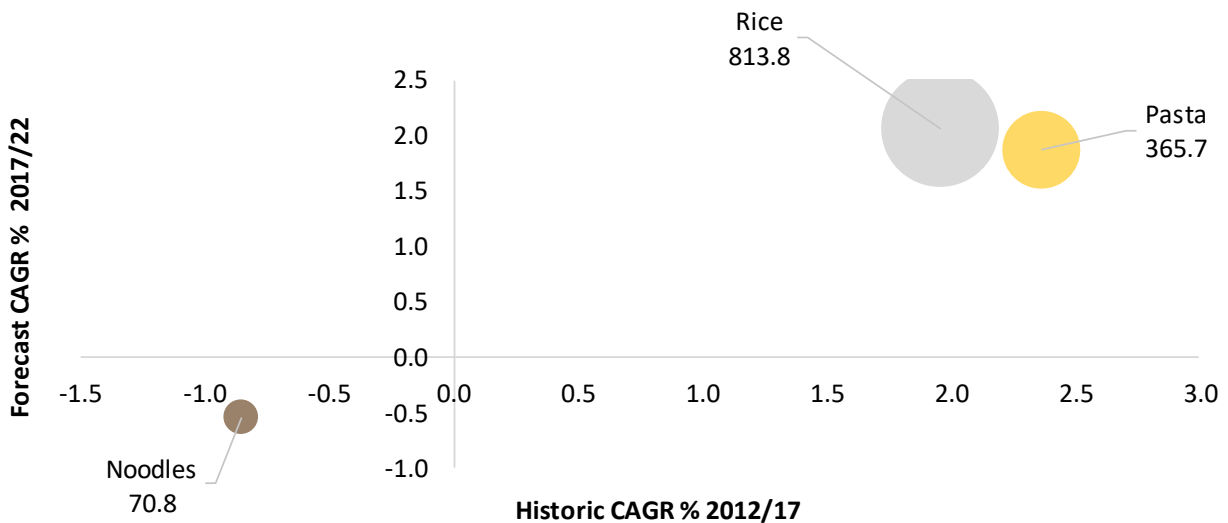
Figure 5-25: Evolution and forecast of market for pasta (000 tonnes) and per capita (kg) pasta consumption in Mexico, 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Note: figures for 2018 to 2022 based on forecasts

Figure 5-26: Market size, and evolution and forecast of rice, pasta and noodles markets (000 tonnes) in Mexico, 2012-2022; total volume



Source: Euromonitor International: Packaged Foods, 2018

5.6.2.2 Consumer profile and purchase criteria

Mexican consumers have a preference for rice, spaghetti and noodles, which are an easy to prepare food, that can be combined with vegetables, meat, and sauces. Pasta is usually cooked at home, to save time; particularly in the case of larger families with children. Rice remains the most widely eaten of the three staples and is used in some traditional dishes, though the majority of consumed rice is imported (mainly from the US).

¹²² Euromonitor International: Packaged Food, 2018

Consumers

The largest consumers of pasta and noodles in Mexico are large families with children, followed by families with adolescents, mostly from the regions of Central Mexico and Valley of Mexico. Pasta is also popular among people that exercise regularly, as it is an important source of energy.

In terms of preferences, Mexican consumers clearly prefer long pasta, such as spaghetti and noodles – which overall account for two thirds of total pasta consumption – followed by small pasta, elbow macaroni and short-cut pasta¹²³¹²⁴¹²⁵¹²⁶.

Drivers and method of consumption

Pasta is usually cooked at home, and is abundantly accompanied by other ingredients, the most popular of which are meat, vegetables, peppers and tomatoes, as well as cream and cheese sauces. Noodle soups consumption is also high in Mexico; this is normally served with coriander, avocado, lemon and spring onions, cooked with chicken or vegetables, and flavoured with chili pepper¹²⁷.



Purchase criteria

The main drivers of sales are set out below:

- **Convenience:** Mexican consumers prefer time saving products, hence they are more likely to purchase pasta that needs shorter cooking time (part of the reason for the preference for long thin pasta such as spaghetti);
- **Price:** consumers usually look for the best deals and discounts, and have no problem switching between brands;
- **Health-orientation:** health-conscious consumers purchase pasta for its nutritional properties, as well as the possibility to pair it with fresh products, such as vegetables;
- **Versatility:** pasta is preferred to other staples because it can be cooked as a main dish, a side dish or as an ingredient in salads¹²⁸.

¹²³ México: ¿Cuánto consumen los mexicanos de esta deliciosa pasta?,

<https://www.america-retail.com/mexico/mexico-cuanto-consumen-los-mexicanos-esta-deliciosa-pasta/>

¹²⁴ Espagueti, la pasta favorita de los mexicanos, <https://www.yucatan.com.mx/mexico/espagueti-la-pasta-favorita-los-mexicanos>

¹²⁵ Euromonitor International: Packaged Food, 2018

¹²⁶ Sobresale el consumo de pasta en México, <http://www.alimentacion.enfasis.com/notas/82056-sobresale-el-consumo-pasta-mexico>

¹²⁷ Bread, Pasta and Biscuits in Canada, Mexico and USA, <http://www.magazinebbm.com/english/?p=715>

¹²⁸ Euromonitor International: Packaged Food, 2018

5.6.2.3 Recent market trends

Consumption of pasta, noodles and rice is growing, mainly driven by the steady growth in the rice and pasta (spaghetti *in primis*) segments. Nonetheless, due to the faster pace of life, Mexicans are cooking at home to a lesser extent. As a result, purchases of rice and pasta are likely to see a slowdown in growth in the next years. Despite that, total consumption of pasta, rice and noodles as a whole is expected to pass from 1.3 million tonnes in 2017, to 1.4 in 2022.

5.6.3 Offer

5.6.3.1 Domestic production

Thanks to a large domestic production of durum wheat, Mexican producers of pasta have been spreading in recent times. According to the latest figures, Mexico is hence responsible for the production of 337 000 tonnes of pasta, which makes it the tenth largest producer of this product worldwide¹²⁹. Furthermore, with a total of 254 040 tonnes per year, Mexico is also a small producer of rice, which is mainly cultivated in Nayarit, Campeche, Michoacán, Jalisco, and Colima; and there is also production of noodles¹³⁰¹³¹.

5.6.3.2 Imports and exports

Due to the large domestic production, Mexico exports of pasta, noodles and couscous largely exceed imports (Figure 5-27). With the exception of 2016, exports saw a sustained growth, peaking in 2017, when they reached 117 994 tonnes (up to approximately 72 thousand tonnes the years before). Similarly, imports, which fell to 12 893 tonnes in 2016, have recently started to recover, reaching 14 188 tonnes in 2017.

As outlined in Figure 5-28, the United States and Italy, which accounted for respectively 37% and 35% of the total imports in 2017, lead the exports of pasta, noodles and couscous to Mexico. US exports, which peaked in 2015, when 8 906 tonnes of pasta, noodles and couscous were exported, have since then started declining, reaching a volume of 5 237 tonnes in 2017. Italian exports, on the contrary, have seen a sustained growth in recent years, rising from 3 565 tonnes in 2012, to 4 997 tonnes in 2017. Guatemalans and Chinese volumes exported into Mexico in 2017 are also notable. The rest of the EU accounted for other 6% of total Mexican imports of pasta, noodles and couscous, with almost all of this coming from Spain and France.

The imported unit value of pasta, noodles and couscous has started declining after 2015, reaching 1 930 EUR/tonne in 2017. Along with exporting the largest volume of pasta into Mexico, United States and Italy are also the first exporters in terms of value. In 2017, US and Italian imports were valued at respectively

¹²⁹ The World Pasta Industry Status Report 2013,

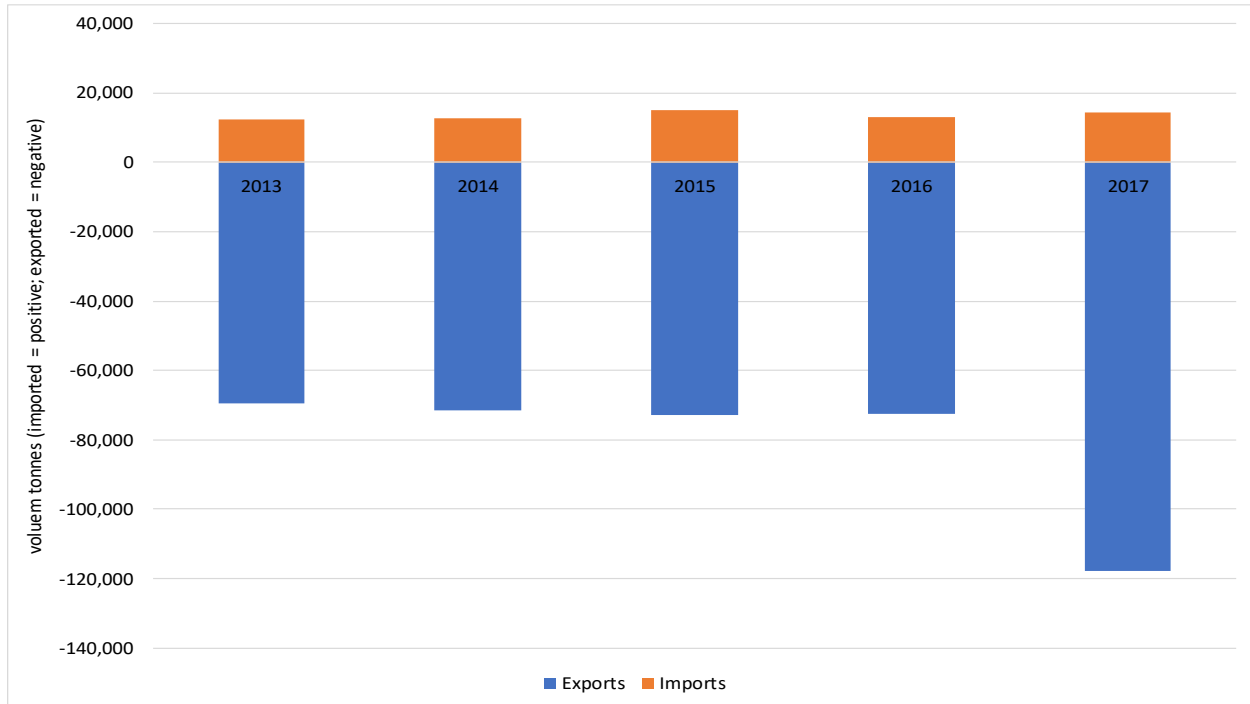
<http://www.internationalpasta.org/resources/World%20Pasta%20Industry%20Survey/IPOstatreport2014low.pdf>

¹³⁰ SAGARPA: Arroz Mexicano, https://www.gob.mx/cms/uploads/attachment/file/256423/B_sico-Arroz.pdf

¹³¹ La producción y consumo de arroz en México, <https://www.agrosintesis.com/la-produccion-consumo-arroz-mexico/#.XAeTumhKgdV>

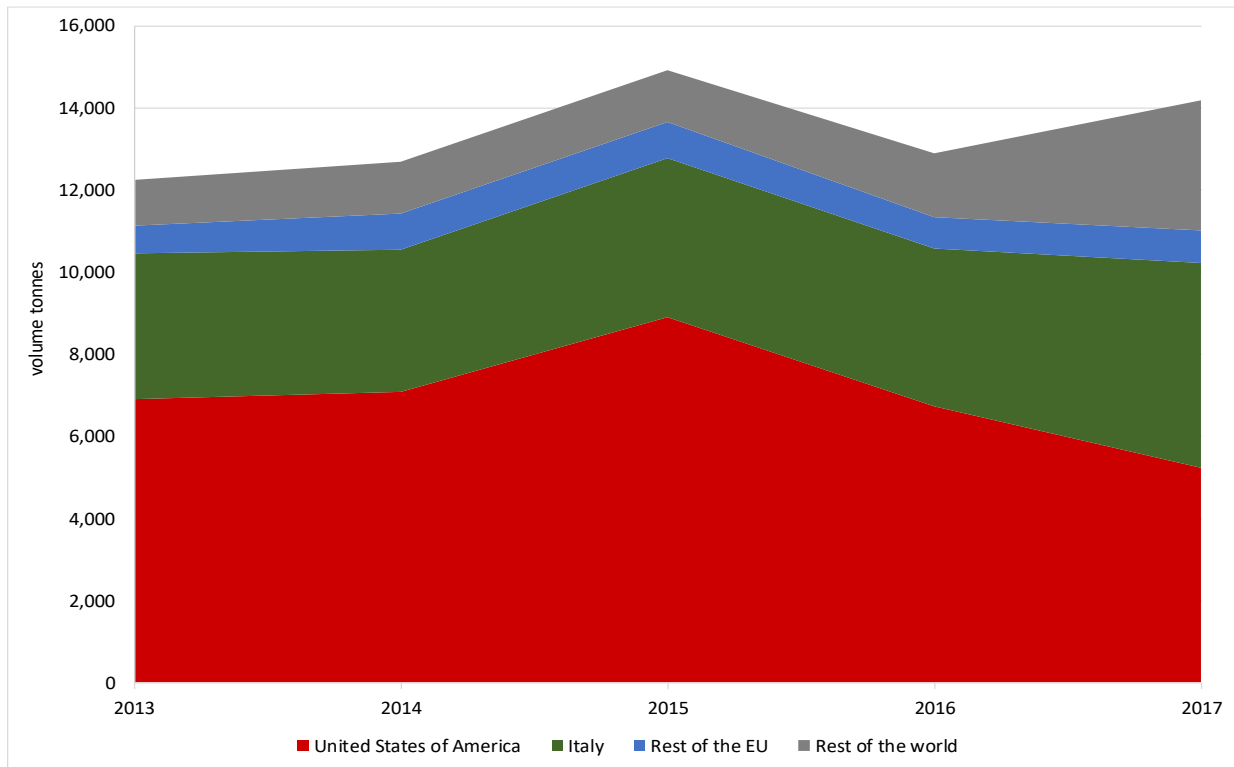
EUR 13.3 and 8 million. Nonetheless, unlike the unit value of US pasta imported into Mexico (2 539 EUR/tonne), which was well above the world average (1 930 EUR/tonne), Italian value was well below the average (1 604 EUR/tonne), in 2017 (Figure 5-29).

Figure 5-27: Trade balance (imports and exports) of pasta, noodles and couscous in Mexico, 2013-17; tonnes



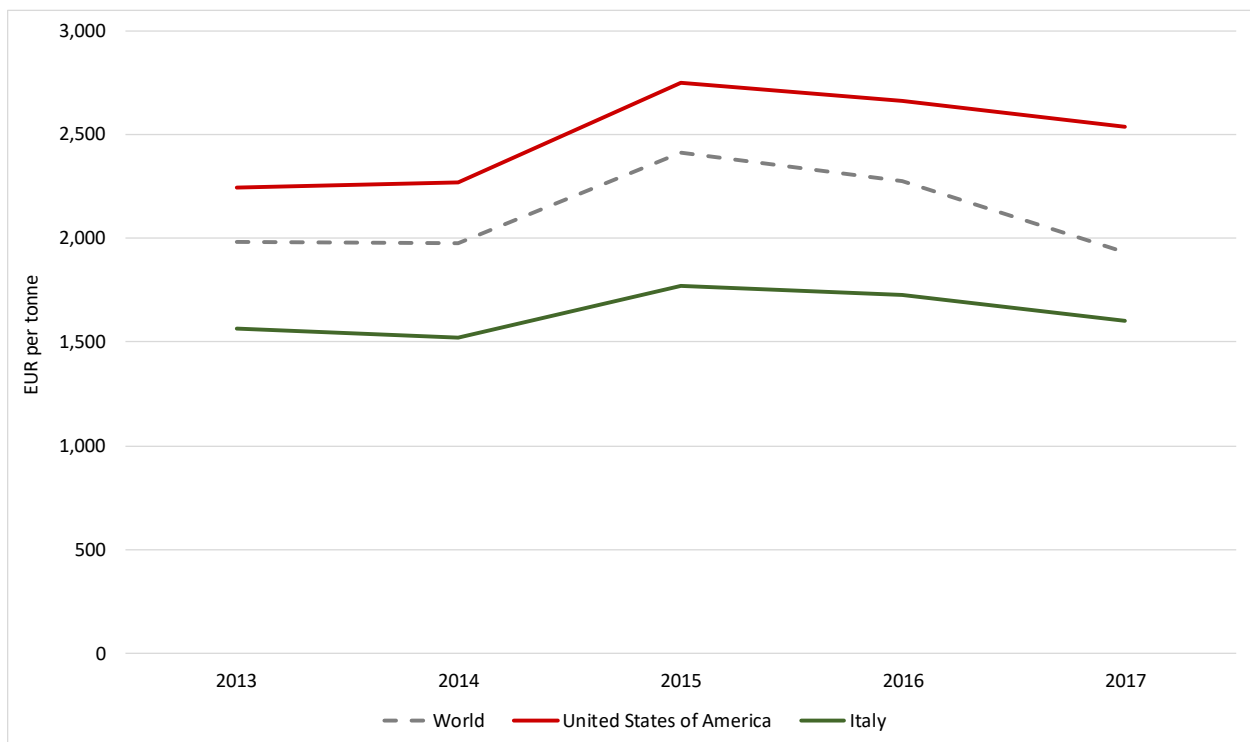
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

Figure 5-28: Mexican imports of pasta, noodles and couscous by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

Figure 5-29: Per unit value of Mexican imports of pasta for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

5.6.3.3 Main competitors



As indicated in section 5.6.3.2, the United States account for a large share of imports of pasta, noodles and couscous into Mexico. Furthermore, domestic production is heavy, thanks to the large availability of wheat at the domestic level. In terms of companies share, the market is highly fragmented, with most companies competing in only one category. The overall leader in 2018 was Fábrica de Pastas Alimenticias La Moderna, thanks to its dominance in pasta with the brand “La Moderna”. This

company has a strong distribution network that reaches a wide range of channels throughout the country and has well-positioned brands among consumers¹³². Nonetheless, Italian imports have a notable share of the market, with the company Barilla particularly well known.

5.6.4 Specific market entry requirements

Market Access and Entry

As described in section 4.2.1, pasta producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2).

European products currently face high import tariffs (up to 20% on pasta containing eggs). Nonetheless, under the modernised EU-Mexico Trade Agreement tariffs on pasta are set to be eliminated at entry into force (see section 4.3.2.1).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=1902>

Customs procedures

A list of standard documents required for import of pasta into Mexico is presented in section 4.2.1. Furthermore, the following documents may be required for custom clearance of some products, as set out below:

- Application Sheet for Zoosanitary Requirements (stuffed pasta, HS code 1902.20.01)
- Import Certificate for Live Animals and Animal Products (stuffed pasta)
- Veterinary Health Certificate for Animal Products (only required if containing products of animal origin)
- Certificate of Analysis (stuffed pasta)

¹³² Euromonitor International: Packaged Food, 2018

- Free Sale Certificate (stuffed pasta)

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1902>

SPS measures

All sanitary and Phytosanitary measures concerning the import of pasta into Mexico are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1902>

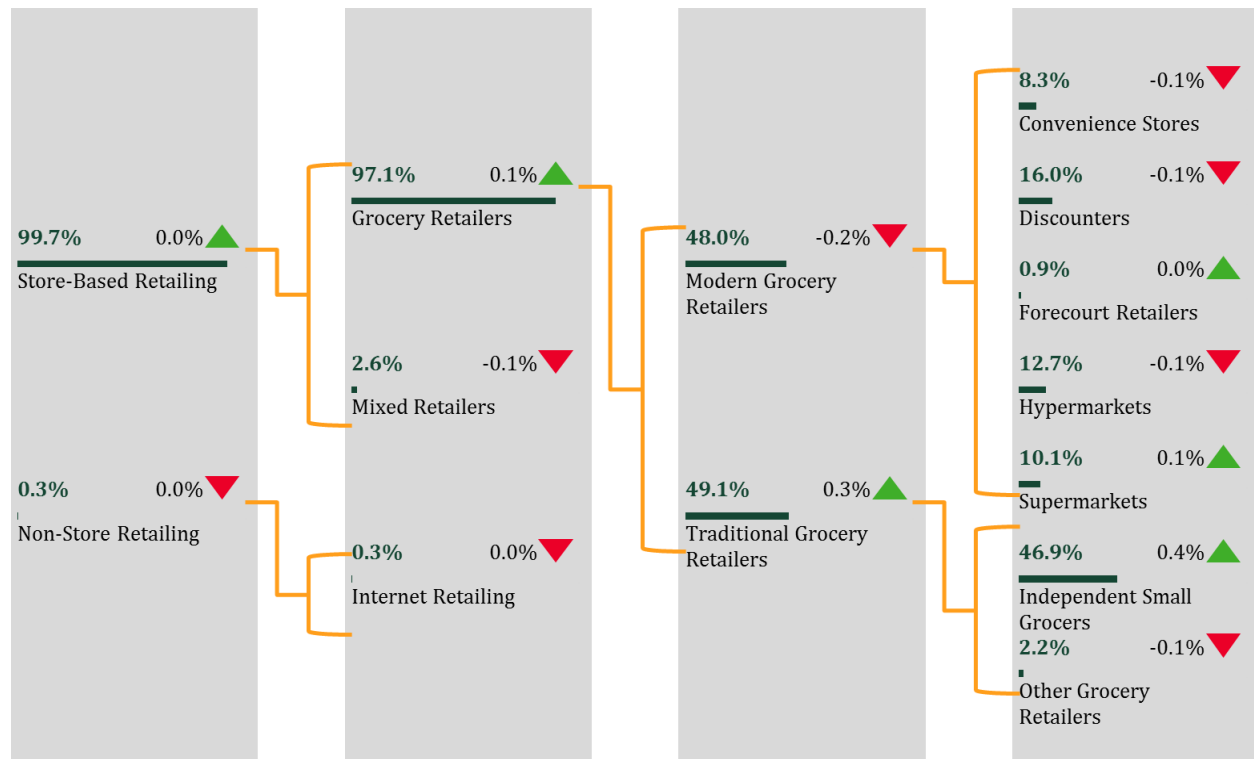
Labelling

As described in more detail in section 4.2.3, imported pasta must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051- SCFI/SSA1-2010.

5.6.5 Distribution

As reported in Figure 5-30, sales of pasta, rice and noodles rely on store-based retailing. In 2017, traditional grocery retailers (especially independent small grocers) were the main distribution channel for pasta, rice and noodles (49.1%). Modern grocery retailers followed, with discounters (16%), hypermarkets (12.7%), and supermarkets (10.1%) accounting for most of the sales in the category.

Figure 5-30: Distribution channels overview –Rice, pasta and noodles in Mexico (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.6.6 Challenges for EU products

Although consumption of pasta is on the rise, United States and Mexican pasta account for most of the domestic sales. Furthermore, European companies currently face high import duties, which are set to be eliminated under the FTA at entry into force.

Market Takeaway: Pasta

Consumption: Consumption of rice and pasta is slowly rising in Mexico; pasta is appreciated for its convenience.

Competition: The pasta, rice and noodles market is dominated by domestic and US imported brands. Italy is the second largest exporter of pasta to Mexico.

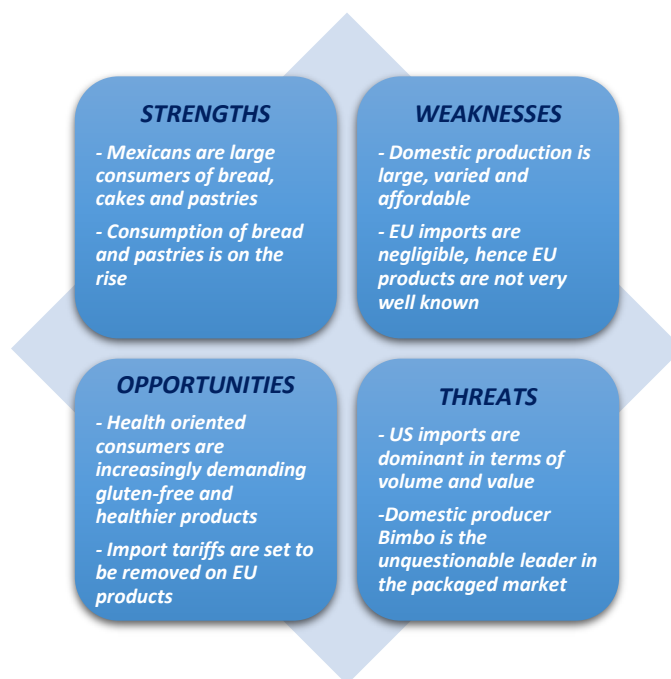
Distribution: Rice, pasta and noodles are mostly sold in independent small grocers and discounters.

Challenges: Import duties are an obstacle for the export of European products, although the implementation of the trade agreement is expected to bring relief to European exporters.

Opportunities: Fast-cooking pasta is gaining momentum in Mexico, due to its convenience; pasta is regarded as a healthy and nutritious food and its consumption is on the rise among large families with children.

5.7 Baked goods

5.7.1 SWOT analysis



5.7.2 Consumption

5.7.2.1 Evolution of consumption

Mostly driven by bread purchases, consumption of baked goods boasts high figures in Mexico. In 2017, consumers bought nearly 14.9 million tonnes of bread, 1.1 million tonnes of pastries, 245 thousand tonnes of cakes as well as 89 thousand tonnes of dessert mixes.

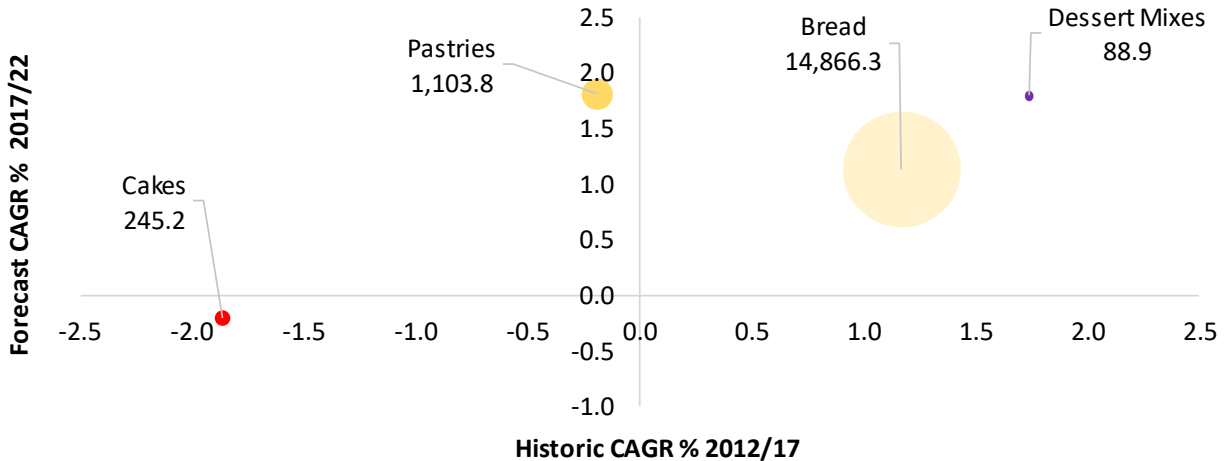
Recent trends in baked goods consumption, however, vary between different product categories. While dessert mixes and bread recorded a positive growth rate in 2012-2017, pastries and cakes purchases fell over the same period, mainly due to the 8% tax on high-calorie products (i.e. products with a caloric density of over 275 kilocalories/100 grams)¹³³, as well as the increased interest of consumers in their health. Nonetheless, consumption is projected to recover in the coming years as companies have been increasingly offering healthier products.

In 2017, per capita consumption of bakery goods hugely varied between categories, ranging between less than 0.8 kg (dessert mixes), and 120.4 kg (bread); though this latter category includes the popular predominantly corn-based flatbread *tortilla* (flatbreads including tortillas account for about 2/3 of consumption). Given that consumers are becoming more health-conscious, per capita consumption of

¹³³ Ley del impuesto especial sobre producción y servicios, http://www.diputados.gob.mx/LeyesBiblio/pdf/78_291217.pdf

cakes is expected to fall, while per capita consumption in all the other categories is set to slowly grow in the coming years.

Figure 5-31: Evolution and forecast of baked goods market in Mexico, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

5.7.2.2 Consumer profile and purchase criteria

Consumers

In Mexico, consumers of all social classes purchase bakery products, although the average per capita expenditure varies according to their purchasing power. Mexicans have a preference for domestic and



American brands and/or local bakeries' fresh products. European products are not well known, due to the scarce availability.

Most notably, recent market studies indicate that Mexican's favourite bakery goods are bread and *pan dulce* (sweet bread), a name that refers to popular Mexican pastries, which are often purchased by consumers of all social classes. Flat bread, in particular corn-based *tortillas*, leads the market of salty bread, as it is used in most Mexican dishes. *Conchas*, sweet baked breads,

are on the other hand the most popular Mexican pastries. Other popular bakery products include *bolillos* (a shorter variation of the baguette, often baked in a stone oven), pan loaf, multigrain bread, and biscuits¹³⁴¹³⁵.

¹³⁴ Estudio de mercado sobre panaderías en México, <https://www.mercawise.com/estudios-de-mercado-en-mexico/estudio-de-mercado-sobre-panaderias-en-mexico>

¹³⁵ Euromonitor International: Packaged Food, 2018

Although *pan dulce* accounts for most Mexican sweet purchases in bakeries, consumers also have a taste for cakes, particularly chocolate, vanilla, and strawberry flavoured ones¹³⁶. Furthermore, more recently a growing trend for healthy food drove purchases of gluten-free and light products, while bakery goods sizes are becoming smaller. Different formats using different types of flour and grains are also becoming popular. Finally, fruit and nuts are increasingly being added to bakery products, hence meeting the demand of more health-conscious consumers¹³⁷.

Drivers and method of consumption

70% of consumers usually buy bread (including tortillas) directly at the bakery and consume it at home. This is possible, as all consumers report to have a bakery near their home. Bread is purchased at least



twice per week, by almost all consumers. Bread products are also quite extensively used in the food service sector, including street food. Sweet bread is mostly purchased to be consumed at breakfast, dinner or as a snack¹³⁸. Similarly, cakes are mostly purchased at patisseries and consumed at home, with nearly 15% consumers ordering it at restaurants¹³⁹. There are also important occasions in which specific bakery products are consumed. For example, on November 1 and 2, a traditional type of sweet bread is purchased by all

families: *el pan de muerto* (the bread of the dead)¹⁴⁰.

Purchase criteria

Consumers have a clear preference for artisanal products, especially when it comes to bread. The perception of freshness, which is associated with quality, is another driver of sales of unpackaged products, as these are usually baked daily. Nonetheless, as a result of the fast pace of life, consumers are increasingly opting for packaged baked goods over fresh products for convenience reasons, as the latter last longer¹⁴¹.

¹³⁶ Estudio de mercado sobre postres, <https://www.mercawise.com/estudios-de-mercado-en-mexico/estudio-de-mercado-sobre-postres>

¹³⁷ EXPO Antad&Alimentaria Mexico: Food Industry, http://media.firabcn.es/content/T703018/docs/2018EXPOANTAD&ALIMENTARIAMEXICO_FoodIndustry.pdf

¹³⁸ Gobierno de México: Encuesta sobre los hábitos de consumo de pan de dulce de harina de trigo, https://www.gob.mx/cms/uploads/attachment/file/279977/Encuesta_sobre_los_habitos_de_consumo_de_pan_de_dulce_de_harina_de_trigo.pdf

¹³⁹ Estudio de mercado sobre postres, <https://www.mercawise.com/estudios-de-mercado-en-mexico/estudio-de-mercado-sobre-postres>

¹⁴⁰ Conoce más sobre la industria panificadora en México, <https://www.gob.mx/se/articulos/conoce-mas-sobre-la-industria-panificadora-en-mexico?idiom=es>

¹⁴¹ Euromonitor International: Packaged Food, 2018

5.7.2.3 Recent market trends

Due to the tax on high calorie products (see section 5.8) and given the healthy trend among Mexican consumers, sales of higher fat bakery products are falling in Mexico. At the same time, gluten-free bakery products are set to become increasingly popular (though it should be noted that, due to the use of cornmeal, the popular tortillas are by default generally low gluten or gluten-free, depending on the method of production). Consumers are expected to more and more trade up white bread and cakes with whole-wheat bakery products containing fruit and nuts. Artisanal bread is another segment, which is set to expand. Nonetheless, the growing need for convenience may encourage sales of more packaged baked goods, including packaged bread, especially among workers.

5.7.3 Offer

5.7.3.1 Domestic production

With 22 million tonnes produced every year, Mexican most popular bread is tortilla made of cornmeal¹⁴². Furthermore, given the high availability of durum wheat too, most of which is intended for bread production, Mexico is a large producer of other bakery products¹⁴³, such as white and sweet bread, whose market value amounts to 120 billion pesos (around 5.5 bn EUR)¹⁴⁴.

Along with the market leading company Bimbo, there are around 33 000 enterprises in Mexico that deal with the production of bakery products; most of which are SMEs¹⁴⁵.

5.7.3.2 Imports and exports

As outlined in Figure 5-32, Mexican exports of baked goods largely exceed imports. Imports have rapidly grown over the years, recording a 96% increase in 2013-2017 to reach over 600 000 tonnes. On the contrary, exports slightly oscillated over the years, peaking in 2015 to 90 100 tonnes and then down to over 81 300 in 2016 and nearly 87 500 in 2017.

As outlined in Figure 5-33, baked goods are mostly supplied by the United States - which account for 76% of total imported volumes - Canada (6%), and Guatemala (5%). European countries accounted for other 5% of the Mexican imports, with Spain (34% of total EU exports), and Italy (18%) taking the lead.

Although leading EU exports into Mexico, the 2017 unit value of Spanish baked goods was 2 653 EUR/tonne, below the average of baked goods imported into Mexico (2 727 EUR/tonne). On the contrary,

¹⁴² Consume cada mexicano 90 kilos de tortillas al año, <https://www.excelsior.com.mx/nacional/2014/09/19/982604>

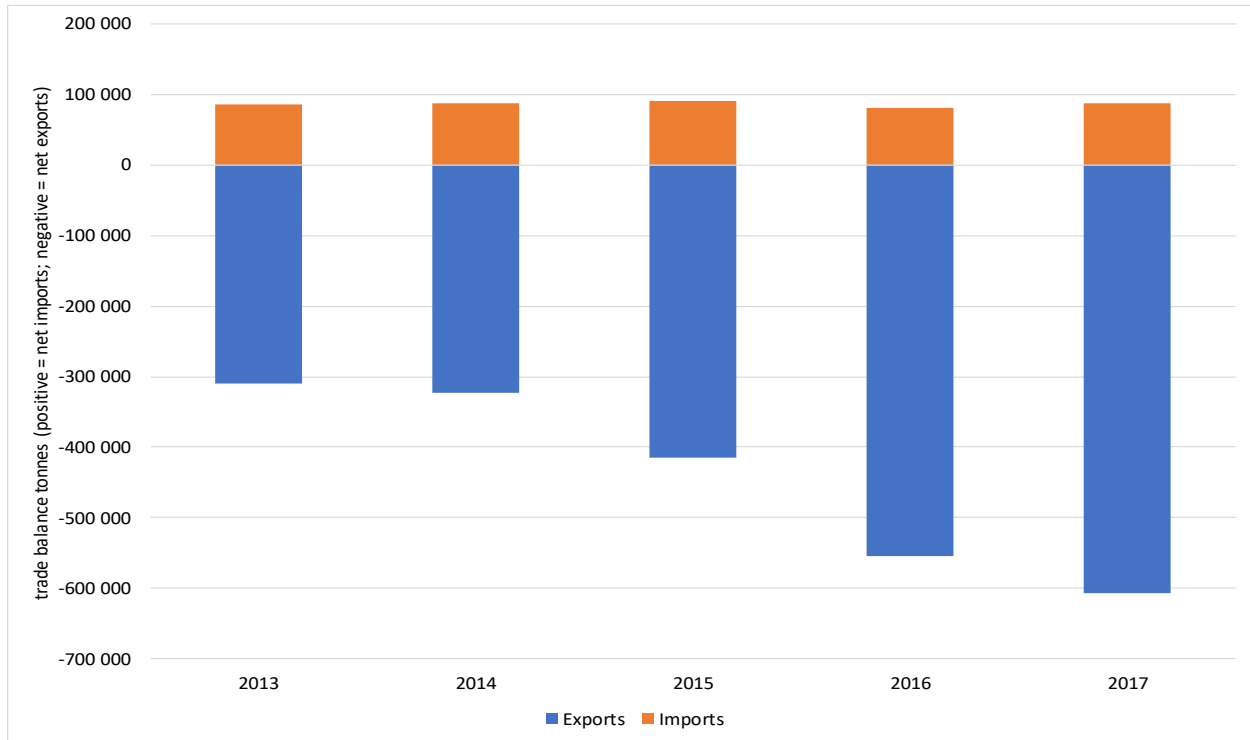
¹⁴³ México destina el 80% del trigo a la industria panificadora, <http://www.munsa.com.mx/blog/mexico-destina-el-80-del-trigo-a-la-industria-panificadora>

¹⁴⁴ La industria panificadora lidera el sector alimenticio en México, <https://www.economiahoy.mx/economia-eAm-mexico/noticias/9234840/06/18/La-industria-panificadora-lidera-el-sector-alimenticio-en-Mexico.html>

¹⁴⁵ Informe anual de México 2014, <https://www.industriaalimenticia.com/articles/87404-informe-anual-de-mexico-2014>

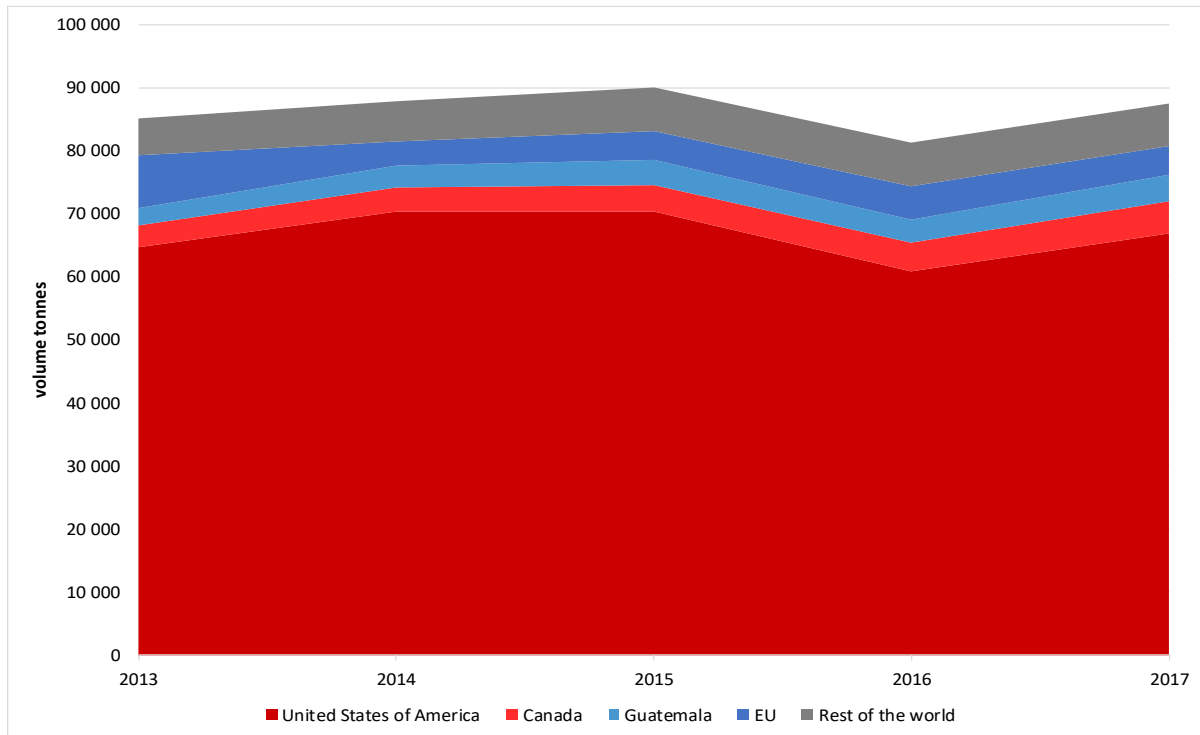
the unit value of Italian imports was well above than the world average, namely 5 281 EUR/tonnes respectively (Figure 5-34).

Figure 5-32: Trade balance (imports and exports) of baked goods in Mexico, 2013-17; tonnes



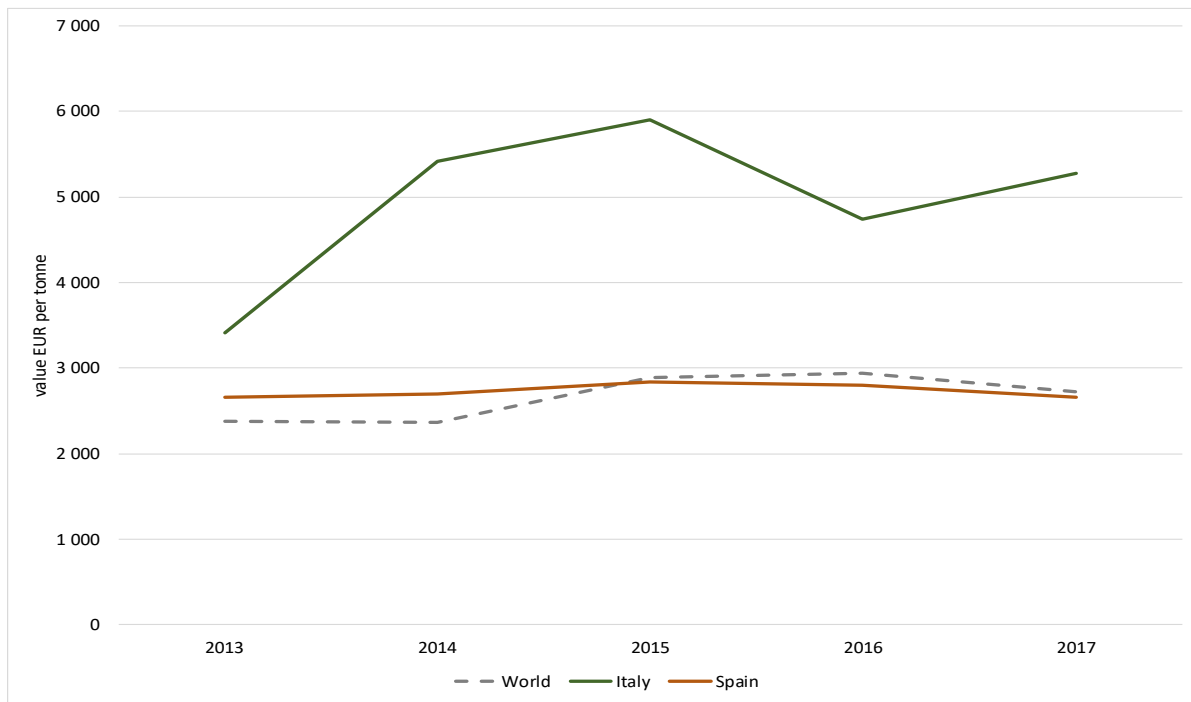
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1905

Figure 5-33: Mexican imports of baked goods by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1905

Figure 5-34: Per unit value of Mexican imports of baked goods for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1905

5.7.3.3 EU GI products

As reported in section 4.2.4, under the modernised EU-Mexico Trade Agreement, several products are set to be recognised as Geographical Indications in Mexico, including some bakery goods products:

- Germany: *Nürnberger Lebkuchen*
- Italy: *Piadina Romagnola / Piada Romagnola*
- Portugal: *Ovos Moles de Aveiro*
- Spain: *Polvorones de Estepa*

5.7.3.4 Main competitors

In terms of exporting countries, the United States is a leader in shipping bakery goods to Mexico, followed by Canada and Guatemala. Furthermore, the domestic market is highly competitive, especially when it comes to packaged baked goods, where Grupo Bimbo is the unquestionable leader. The company has a wide product portfolio, offering many brands, which are well-established in the country and well-positioned amongst consumers¹⁴⁶.

5.7.4 Specific market entry requirements

Market Access and Entry

As described in section 4.2.1, bakery goods producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2).

Some European bakery products currently face relatively high import tariffs. For example, a 10% + 0.36 USD/ kg duty is applied on imported sweet biscuits as well as waffles and wafers. Nonetheless, under the modernised EU-Mexico Trade Agreement all tariffs on bakery products are set to eventually be eliminated (see section 4.3.2.1).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=1905>

Customs procedures

A list of standard documents required for import of bakery goods into Mexico is presented in section 4.2.1. Furthermore, further documents are required for custom clearance of “other” bakery products containing animal products (HS code 1905.90.99), as set out below:

- Application Sheet for Zoosanitary Requirements
- Import Certificate for Live Animals and Animal Products
- Certificate of Analysis

¹⁴⁶ Euromonitor International: Packaged Food, 2018

- Free Sale Certificate

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1905>

SPS measures

All sanitary and Phytosanitary measures concerning the import of bakery goods into Mexico are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1905>

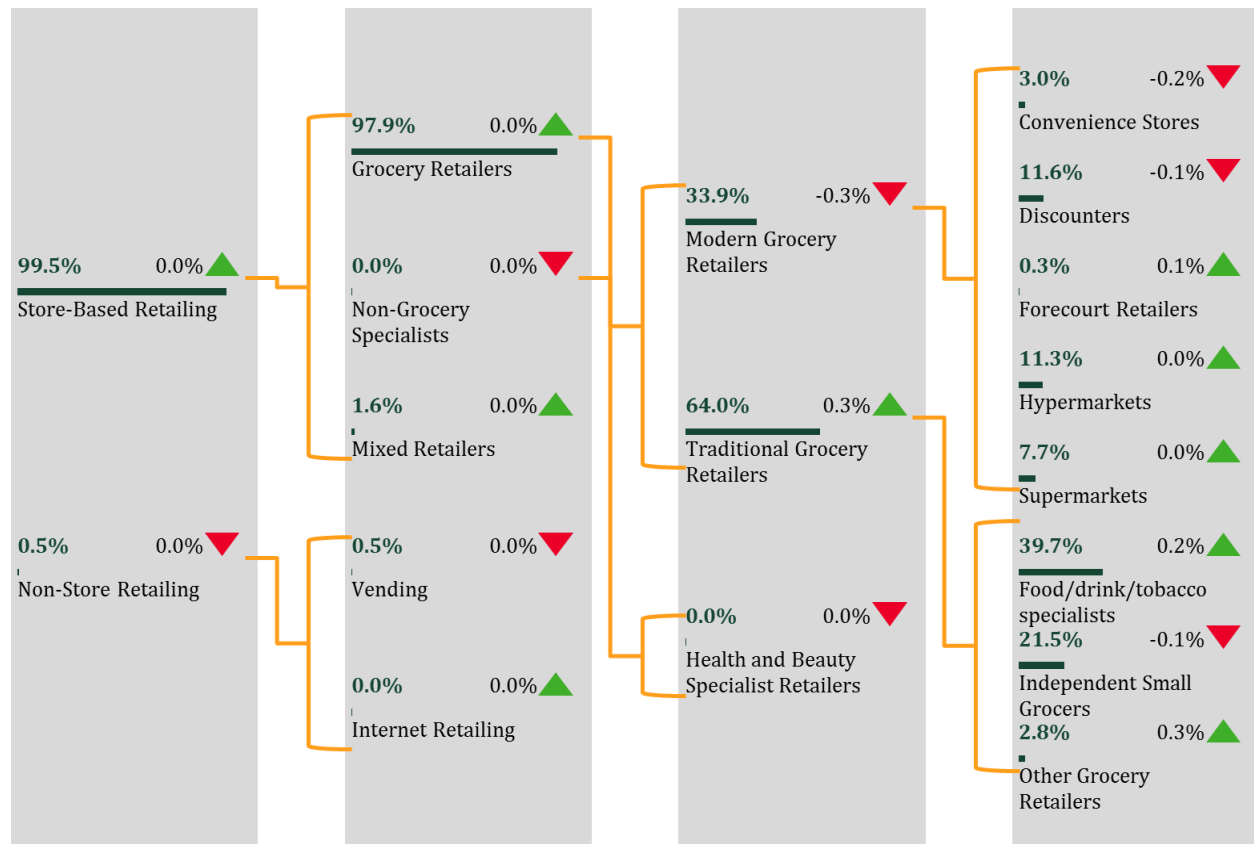
Labelling

As described in more detail in section 4.2.3, imported bakery goods must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051- SCFI/SSA1-2010.

5.7.5 Distribution

As showed in Figure 5-35Figure 5-73, distribution of bakery goods is highly fragmented. However, it can be observed that store-based retailing is the leading distribution channel. Most notably, grocery retailers accounted for 97.9% of all sales, 64% of which were done through traditional grocery retailers in 2017. Food specialists (39.7%), and independents small grocers, or *tienditas* (21.5%) were the most important traditional grocery retailers. The remaining sales took place through modern grocery retailers (mostly discounters and hypermarkets).

Figure 5-35: Distribution channel overview of baked goods in Mexico (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.7.6 Challenges for EU products

Although Mexican consumption of bakery products is very large, the market is dominated by local bakeries (unpackaged items), as well as domestic and US brands (packaged items). Given the scarce exports from the EU, European products are not available everywhere and enjoy less popularity compared to Mexican, American, Canadian and Guatemalan products.

Market Takeaway: Baked goods

Consumption: Consumption of cakes is set to slow down in coming years, while bread and pastry purchases are set to start growing again, but at a slow pace.

Competition: Mexico is a heavy producer of baked goods, particularly bread and corn tortillas; furthermore, USA, Canada and Guatemala lead imports in terms of volume.

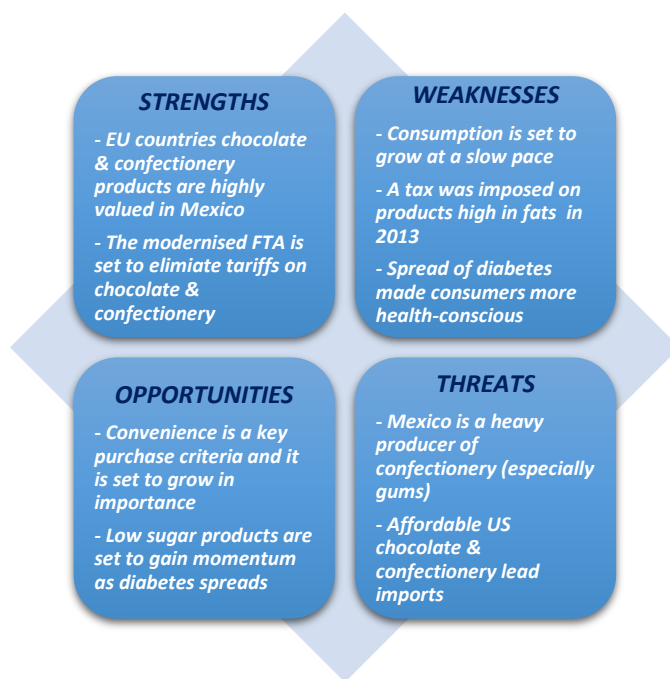
Distribution: Distribution is fragmented; however, it mainly takes place through traditional grocery retailers, followed by modern ones.

Challenges: domestic production dominates the market and there is a preference for unpackaged bread.

Opportunities: gluten-free, natural and healthier products are set to grow in importance for health-conscious consumers. EU companies will also have duty-free access to the market, once the modernised EU-Mexico FTA will enter into force.

5.8 Chocolate and confectionery

5.8.1 SWOT analysis



5.8.2 Consumption

5.8.2.1 Evolution of consumption

As illustrated in Figure 5-68, the consumption of chocolate in Mexico has been dramatically rising in 2012-2017 and is projected to continue to grow at a slower pace in the next few years. On the contrary, sugar confectionery consumption fell in 2012-2017, although it is projected to see moderate growth in the future (Figure 5-69). The negative performance of sugar confectionery is attributable to the 8% tax high-calorie products, namely products with a caloric density of over 275 kilocalories/100 grams¹⁴⁷. While the same tax applies to chocolate confectionery products exceeding the threshold, the category as a whole was less impacted by the tax due consumer perceptions that chocolate is a healthier and more fulfilling product.

Most notably, as indicated in Figure 5 68, the chocolate confectionery category recorded a positive growth for the period 2012-2017, up to 6.1% in chocolate with toys. Nonetheless, consumption growth is projected to slow down in the coming years, mostly due to the increasing levels of diabetes among the Mexican population¹⁴⁸. A different trend could be observed in the sugar confectionery category, whose

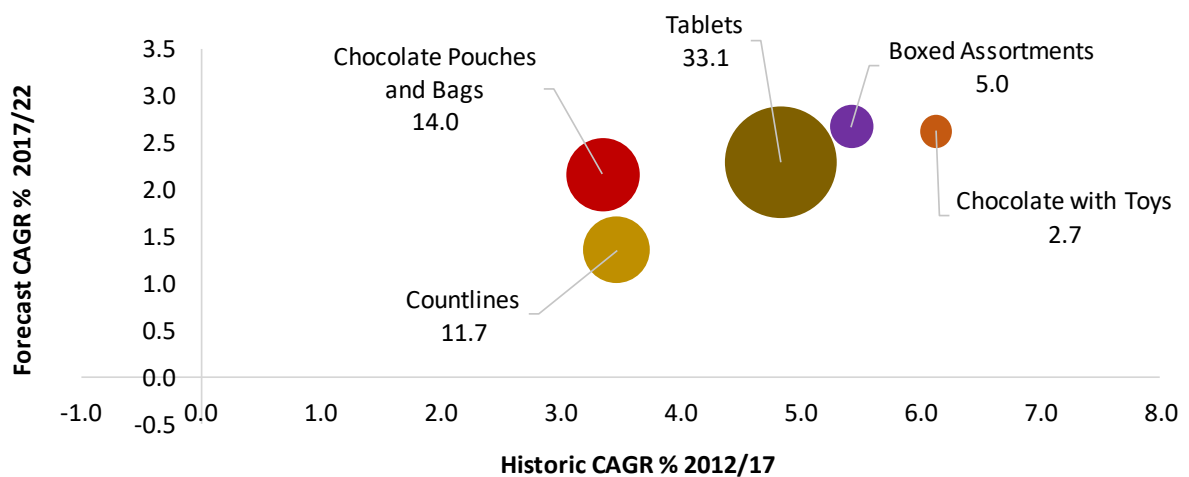
¹⁴⁷ Ley del impuesto especial sobre producción y servicios, http://www.diputados.gob.mx/LeyesBiblio/pdf/78_291217.pdf

¹⁴⁸ La confitería mexicana firme en el camino hacia la recuperación,

consumption declined in 2012-2017, down 4.3% per year in the category of toffees, caramels and nougats. However, consumption of sugar confectionery is set to slightly recover in the next years.

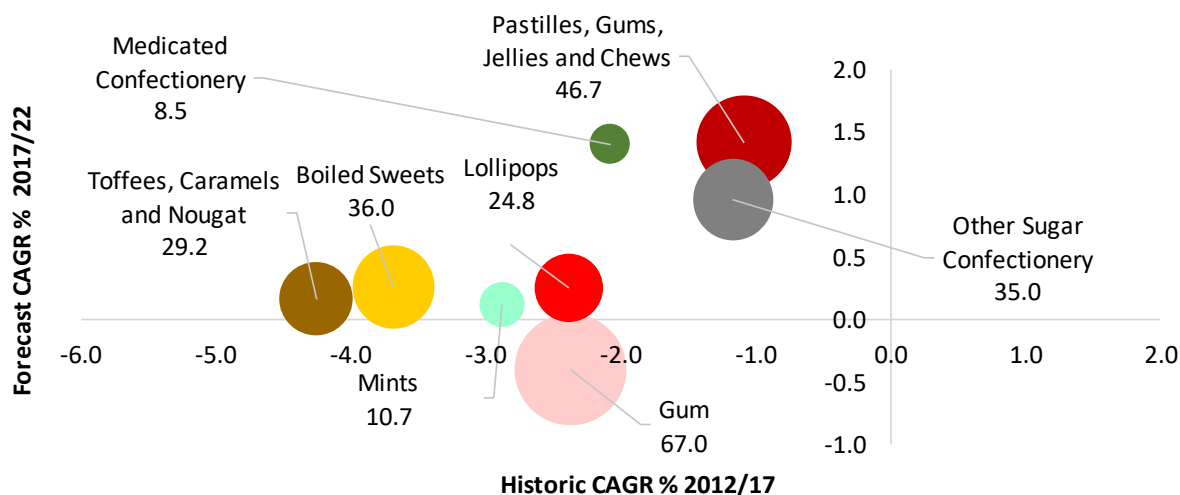
Mexico is a heavy producer and consumer of sugar confectionery; hence sugar confectionery purchases largely exceed chocolate purchases. In 2017, approximately 257 900 tonnes of sugar confectionery and 66 500 tonnes of chocolate were purchased. Gum, as well as pastilles, gums, jellies and chews were the most popular segments in the sugar confectionery category, accounting for respectively 26% and 18% of total consumption, followed by boiled sweets and other sugar confectionery (14% each). In the chocolate segment, tables accounted for 50% of the total consumption, followed by chocolate pouches and bags (21%), countlines (18%), as well as boxed assortments and chocolate with toys (11% in total).

Figure 5-68: Evolution and forecast of chocolate confectionery market in Mexico, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Figure 5-69: Evolution and forecast of sugar confectionery market in Mexico, total volume 2012-2022



Source: Euromonitor International Ltd: Packaged Foods, 2018

5.8.2.2 Consumer profile and purchase criteria

Consumption of sugar and chocolate confectionery is common among all consumer groups, especially younger people and women. Low sugar and more natural products are gaining momentum, as diabetes spreads and consumers are becoming more health aware. Furthermore, consumers maintain a strong preference for traditional tastes, such as marzipan, tamarind, chilli and citrus fruits.

Consumers

Although consumers of all categories consume it, it was observed that women and young people are more likely to purchase chocolate. Almost 70% women and well over 50% young people aged 18-25 purchased chocolate in 2016. Nonetheless, most chocolate consumers were found to be children and adolescents aged 10-17. In terms of preferences, the following trends were observed^{149 150}:

- most Mexicans prefer chocolate bars with other ingredients (such as marzipan, and tamarind) or pungent tastes (such as chilli and citrus fruits). Particularly popular flavours of chocolate are mint, strawberry, coffee and salted caramel; though the chocolates with the aforementioned flavours, nuts or the flavours of other local fruits can also be found;
- on the contrary, one fifth of respondents would rather opt for drinking chocolate;
- milk chocolate is the more preferred type (with between half and three quarters of consumers preferring milk chocolate over other types). Dark chocolate is the next preferred type with growing popularity; and white chocolate the least preferred.

¹⁴⁹ Estudio de mercado sobre el consumo del chocolate, <http://blog.feebbomexico.com/estudio-de-mercado-sobre-el-consumo-del-chocolate/>

¹⁵⁰ Mujeres consumen más chocolate en México, <http://e-oaxaca.com/nota/2017-10-09/magazine/mujeres-consumen-mas-chocolate-en-mexico>

With regards to sugar confectionery, Mexico is the sixth largest market in terms of total consumption in the world. Consumer categories that are more likely to purchase sugar confectionery are set out below:



- people aged under 20, including children;
- consumers based in cities, especially larger ones, where a good distribution system enables them to choose from a broad range of products.

Popular confectionery items among Mexican consumers are marzipan, caramel, popsicles, along with other Mexican traditional sweets. In terms of tastes, Mexican consumers prefer traditional flavours, including chilli and citrus fruits.

Furthermore, three new trends are expected to affect consumers preferences in the coming years:

- **Health awareness:** Given the increase of diabetes incidence among the population, especially children, consumers have started to gradually demand low-sugar and sugar-free items.
- **Craft and natural products:** In Mexico, the sale of craft candies made from seeds and molasses, as well as other natural products is on the rise. There are segments of the population that are also willing to pay a higher price for such craft products¹⁵¹.
- **Premium products:** Premium chocolate is often preferred by higher income consumers for its higher cocoa content, and brands are increasingly highlighting this on their packaging. Due to high prices, premium chocolate is expected to rather remain a niche segment rather than a mainstream one¹⁵². That said, availability of such products in premium/gourmet grocery outlets (see section 4.4.2.1) has increased in recent years and it is a segment which shows particular potential for quality imported chocolate.

Drivers and method of consumption

Chocolate confectionery is usually perceived by Mexican consumers as a dessert or a treat, although it has been gaining relevance as a snack, due to its convenience, as it is easy to transport and store. Sugar confectionery, on the other hand, is regarded as an affordable alternative to chocolate confectionery or cookies¹⁵³. Furthermore, confectionery is consumed in large quantities at children's parties.



Regarding consumption habits, according to a recent survey on a sample of the population, around three fifths of the respondents eat chocolate daily, and only 2%

¹⁵¹ La confitería mexicana firme en el camino hacia la recuperación, <https://www.industriaalimenticia.com/articulos/86579-la-confiteria-mexicana-firme-en-el-camino-hacia-la-recuperacion>

¹⁵² Euromonitor International: Packaged Food, 2018

¹⁵³ Euromonitor International: Packaged Food, 2018

consume it rarely. Regarding confectionery, consumption volumes suggest that Mexican consumers purchase gums and similar products even more often than chocolate. In terms of consumer habits, these trends can be observed:

- Consumption of chocolate is usually higher in the months between October and February, with peaks in February and December, when Valentine’s Day and Christmas provide extraordinary opportunities for chocolate purchases¹⁵⁴.
- Chocolate is eaten more during the weekend¹⁵⁵, especially at night, or between breakfast and lunch¹⁵⁶;
- Confectionery sales reach the top values in April, which is the Children’s month¹⁵⁷.

Purchase criteria

The main criteria driving purchases among young people, aged 26-35, are taste, price, and convenience. Young people are heavy consumers of sugar confectionery, due to the taste of sweet products, as well as to their affordability compared to other products in the confectionery and snack categories. Some consumers in this group may be influenced by the link to their childhood created by certain products.

Upper-income consumers, on the contrary, mainly seek quality, naturalness and uniqueness in a confectionery product, hence they are more likely to purchase premium chocolate products. Higher cocoa content is often seen as an indicator of quality and hence is highlighted by many manufacturers.

There are two further criteria which can play a role in the purchasing decision:

- **Impulse:** many consumers do not visit stores with these specific products in mind but rather choose on impulse. Product placement is therefore an important strategy with hypermarkets and supermarkets actively stimulating demand of products at the checkout counters. Consumers who choose on impulse generally look for easy-to-carry and affordable products rather than healthy ones.
- **Novelty:** an increasing number of consumers are driven by product innovation, as companies are offering a bigger range of flavours in their product portfolios and are experimenting with limited editions and new flavours.

While the origin of sugar confectionery is of little importance to consumers of sugar confectionery, it can play a greater role for chocolate confectionery – particularly in the premium segment where European chocolate is generally considered synonymous with quality.

¹⁵⁴ En México el consumo de chocolate inicia en octubre, <https://www.merca20.com/en-mexico-el-consumo-de-chocolate-inicia-en-octubre/>

¹⁵⁵ La estrategia de Oreo para ser el rey del chocolate en México, <https://www.altonivel.com.mx/empresas/estrategia-oreo-rey-chocolate-mexico/>

¹⁵⁶ Mujeres consumen más chocolate en México, <http://e-oaxaca.com/nota/2017-10-09/magazine/mujeres-consumen-mas-chocolate-en-mexico>

¹⁵⁷ El mercado más dulce de México, <http://www.advertising-news.com/el-mercado-mas-dulce-de-mexico/>

5.8.2.3 Recent market trends

While chocolate sales increased in 2012-2017, consumption of sugar confectionery, which is particularly high among Mexican consumers, recorded a negative growth. This mainly due to a new tax on high calorie products imposed in 2013, as well as to the spread of a diabetes problem, especially among children. Nonetheless, consumption is set to recover, growing at a slow pace in the coming years.

Current trends in the chocolate market include:

- the growing popularity of dark chocolate
- the positioning of chocolate as snack (e.g. Kranky Dark from Ricolino)
- the promotion of chocolate as a product to be shared at social gatherings or at the workplace

The latter trend is apparent in packaging formats that have resealable closures and often come in stand-up plastic pouches, enabling easy sharing and storage.

In sugar confectionery market, consumers are expected to increasingly purchase more natural and low-sugar products, driven by health considerations. Gums are expected to continue to increase in popularity. Manufacturers are also increasingly targeting young adults instead of children as a response to restrictions on promotion and advertising of these products. One way in which manufacturers are doing this is by introducing products connected to those with which young adults grew up (e.g. brand extensions of Panditas and Paleta Payaso by Ricolino); hence creating a nostalgia effect. Diabetic products, although remaining a niche market, are set to post a continuous growth¹⁵⁸.

5.8.3 Offer

5.8.3.1 Domestic production

With around 27 000 tonnes, Mexico is one of the largest producers of cocoa worldwide, most of which (almost 70%), comes from Tabasco, and Chiapas (around 30%). In terms of chocolate production, however, Mexico is the 11th producer worldwide, with approximately 22 000 tonnes produced every year¹⁵⁹. The national chocolate industry is characterised by the production of three types of chocolate: *chocolate golosina* (confectionary candy –



¹⁵⁸ La confitería mexicana firme en el camino hacia la recuperación, <https://www.industriaalimenticia.com/articulos/86579-la-confiteria-mexicana-firme-en-el-camino-hacia-la-recuperacion>

¹⁵⁹ Productos de chocolate ¿Qué tanto se consumen en México?, <https://www.merca20.com/productos-chocolate-tanto-se-consumen-en-mexico/>

mainly milk or dark), *chocolate para mesa* (drinking chocolate) and chocolate powder¹⁶⁰¹⁶¹.

Mexico is also a heavy producer of sugar confectionery items, gums in particular. Mexico hosts the largest gum factory worldwide, which is based in Puebla, where around 60 000 tonnes of gums are produced every year, most of which are intended for domestic consumption¹⁶². Overall, Mexico produces almost twice the volume of sugar confectionery required to satisfy local needs, and hence is a heavy net exporter. Favourable cultivation conditions for raw materials, the availability of comparatively cheap labour and the existence of suitable trade agreements have encouraged certain multinational sugar confectionery producers to establish operations in Mexico with production primarily destined for the US (indeed over 85% of all sugar confectionery exports from Mexico are destined for this country).

5.8.3.2 Imports and exports

Figure 5-70 indicates that both Mexican exports of chocolate and sugar confectionery largely exceed imports. However, while imports of chocolate have steadily fallen since 2013, dropping to 63 463 tonnes in 2017, those of confectionery continuously increased until 2016, and then went down to 43 497 tonnes in 2017.

As outlined in Figure 5-71, chocolate items are mostly supplied by the United States - which account for 74% of total imported volumes - and Canada (15%). European countries accounted for 7% of the Mexican imports, most of which came from Germany (32% of total EU exports), Italy (24%), and Belgium (22%). With regards to confectionery, United States, Guatemala and China were the largest suppliers in terms of volume in 2017, accounting for respectively 46%, 20% and 18% of total Mexican imports of confectionery. Led by Spain and Belgium, European countries exported into Mexico 4% of the total imported confectionery.

Although accounting for most volumes exported to Mexico, the 2017 unit value of Canadian and US chocolates was respectively 2 542 and 3 879 EUR/tonne, below the average of chocolates imported into Mexico (3 907 EUR/tonne). On the contrary, the unit value of German and Belgian imports was well above than the world average, namely 6 281 and 8 148 EUR/tonnes respectively (Figure 5-72). With regards to confectionery, the unit value of Chinese imports (1 633 EUR/tonne) was the lowest in 2017 and well below the average of confectionery imported into Mexico (2 119 EUR/tonne); while that of US exports was slightly higher than average (2 445 EUR/tonne). Belgian imports unit value grew until 2015 and then dropped, down to 4 393 EUR/tonne after two years. Despite that, Belgian confectionery recorded among the highest unit value among the largest importers of confectionery into Mexico.

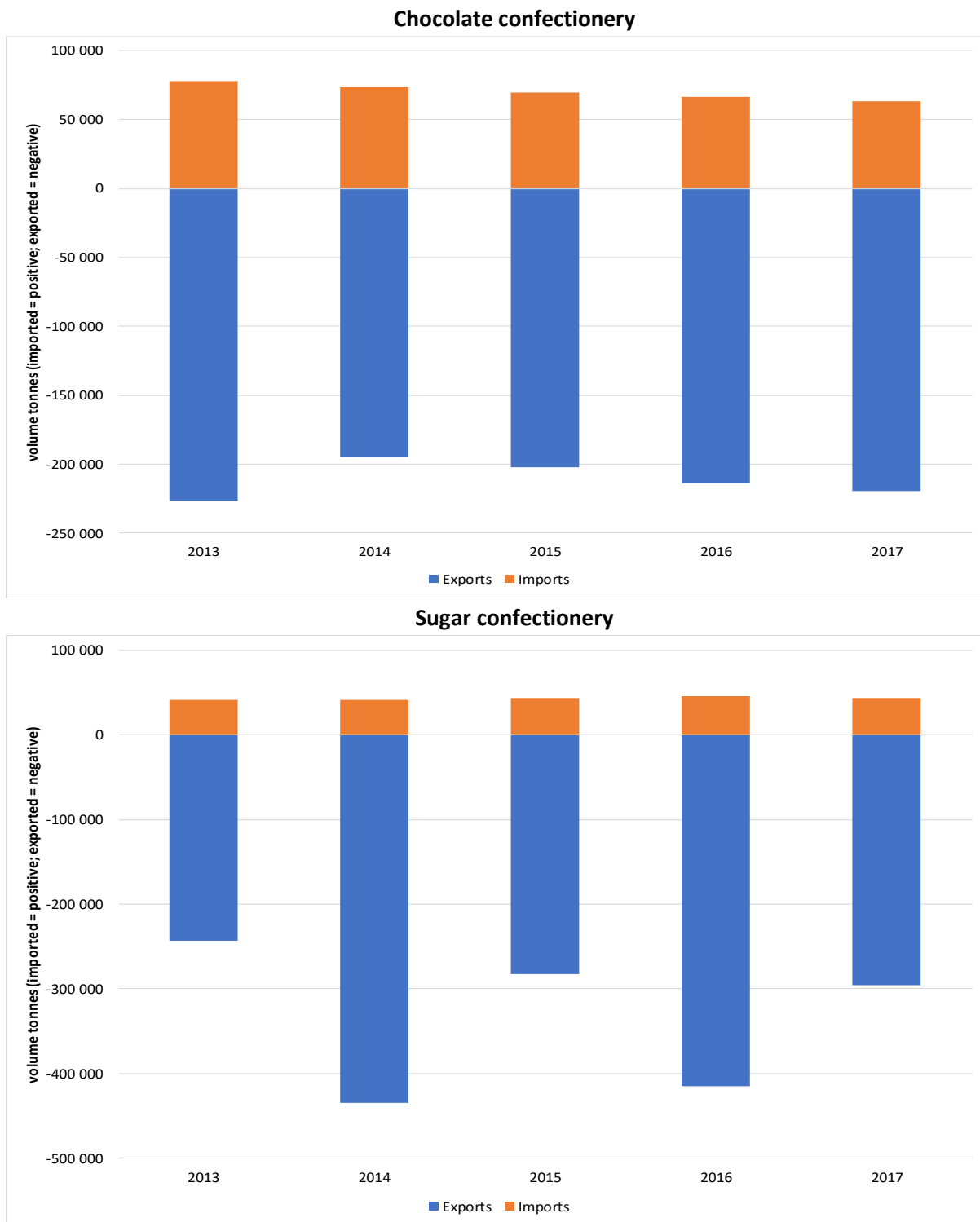
¹⁶⁰ Chocolate artesanal en México: cultura, consumo y marketing,

http://www.web.facpya.uanl.mx/vinculategica/vinculat%C3%A9gica_2/61%20CAMACHO.pdf

¹⁶¹ México, gran productor de cacao, http://www.zocalo.com.mx/new_site/articulo/mexico-gran-productor-de-cacao

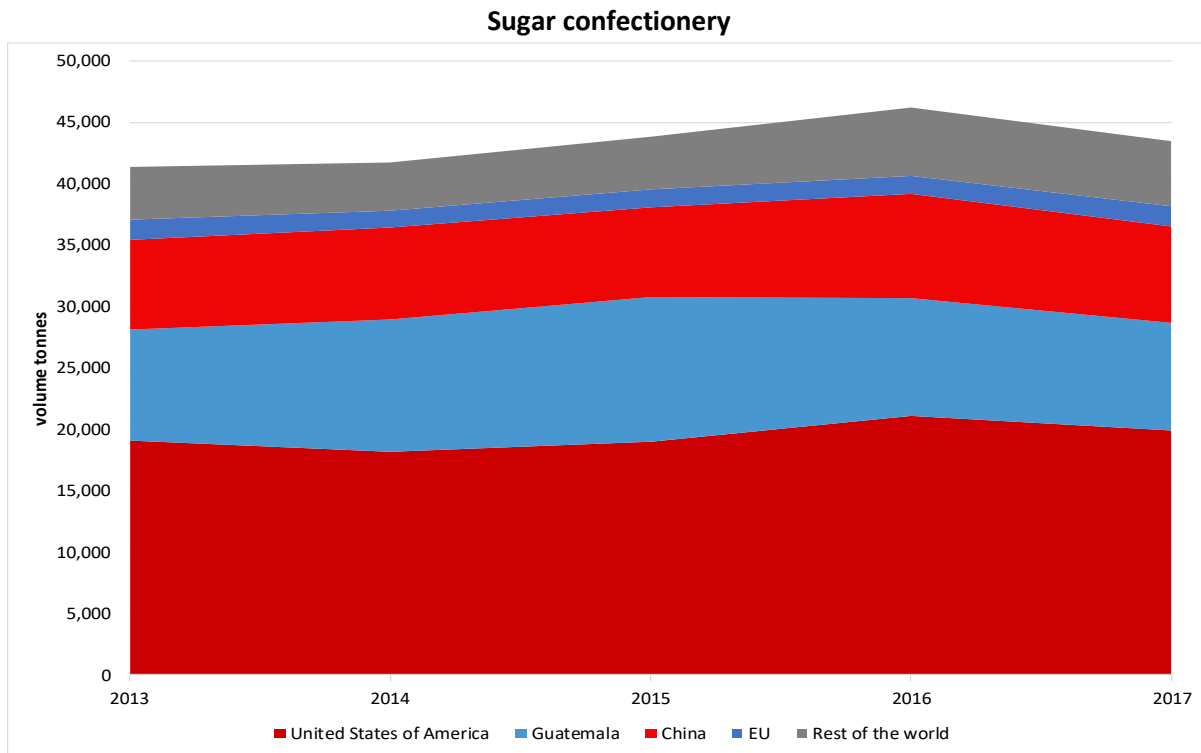
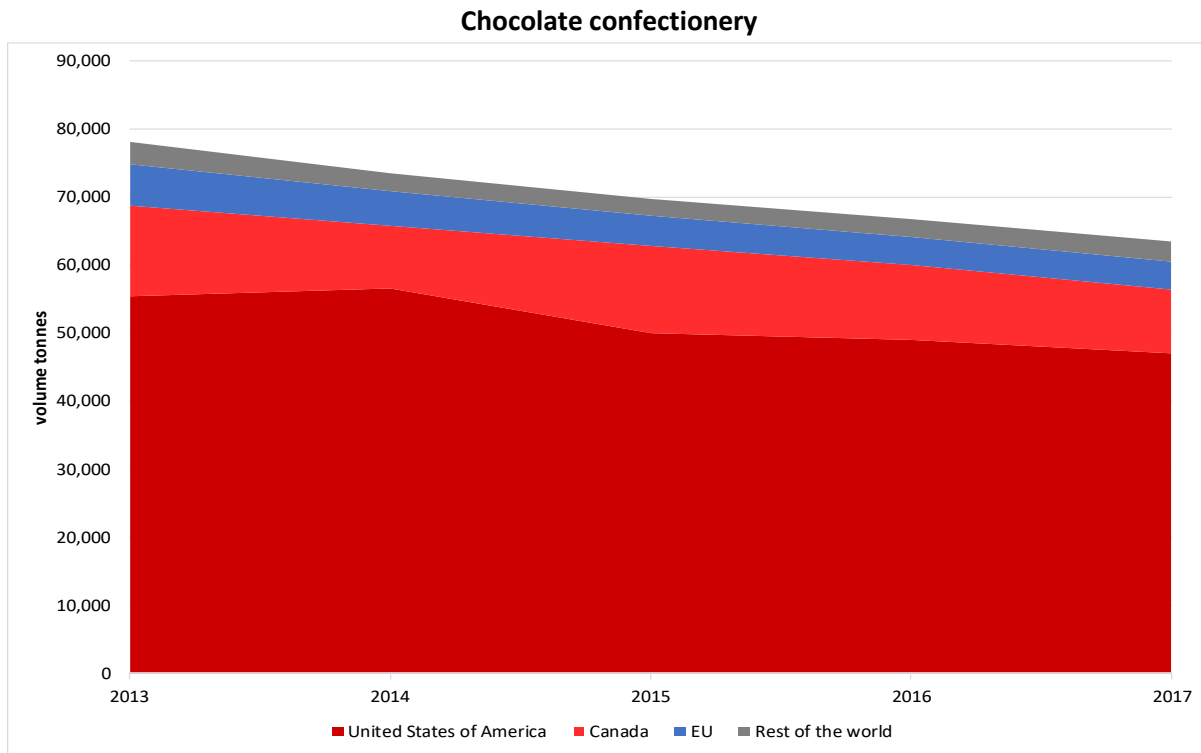
¹⁶² México, segundo consumidor de chicle a nivel mundial, <http://www.elfinanciero.com.mx/economia/mexico-con-el-segundo-lugar-en-consumo-de-chile>

Figure 5-70: Trade balance (imports and exports) of confectionery in Mexico, 2013-17; tonnes



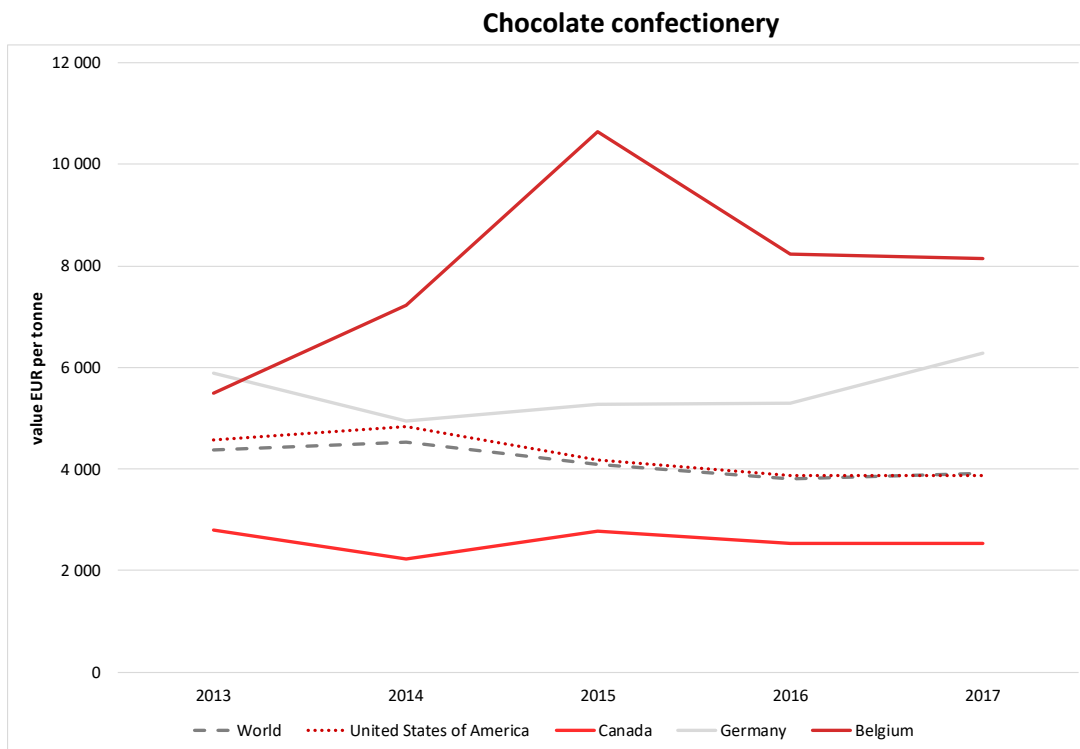
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704

Figure 5-71: Mexican imports of confectionery by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704

Figure 5-72: Per unit value of Mexican imports of confectionery for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806 and 1704

5.8.3.3 EU GI products

As reported in section 4.2.4, under the modernised EU-Mexico Trade Agreement, several products are set to be recognised as Geographical Indications in Mexico, including some confectionery products:

- Cyprus: *Γλυκό Τριαντάφυλλο Αγρού* (Glyko Triantafyllo Agrou); *Λουκούμι Γεροσκήπου* (Loukoumi Geroskipou)
- Germany: *Lübecker Marzipan*
- Spain: *Jijona*; *Turrón de Alicante*

5.8.3.4 Main competitors



As indicated in section 5.8.3.2, the United States are a major exporter of chocolate and confectionery in terms of volume. However, US imports are valued at less per unit than European products in the Mexican market.

In terms of company share, sales of sugar confectionery are split amongst several players, including very small producers. Grupo Bimbo is currently the market leader in sugar confectionery, thanks to its strong brand portfolio, which allows it to compete in a wide range of categories, as well as a well-developed distribution network.

Regarding chocolate confectionery, Nestlé México, Effem México and Ferrero de México lead sales in terms of value. These companies manage well-positioned brands such as Carlos V (Nestlé), Snickers (Effem) and Ferrero/kinder, and have developed strong distribution networks with national coverage. However, due to the strong competition Nestlé and Effem saw slight declines in their value shares in 2018, whilst Ferrero continued to increase¹⁶³. Hersheys is also a notable player.

5.8.4 Specific market entry requirements

Market Access and Entry

As described in section 4.2.1, chocolate and confectionery producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2).

European products currently face high import tariffs (minimum 20% on chocolate and 16% of confectionery). Nonetheless, under the modernised EU-Mexico Trade Agreement most tariffs on chocolate and confectionery products are set to be eliminated (see section 4.3.2.1).

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

¹⁶³ Euromonitor International: Packaged Food, 2018

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=1806>
<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=1704>

Customs procedures

A list of standard documents required for import chocolate and confectionery into Mexico is presented in section 4.2.1.

Furthermore, an Advance Import Permit is required for custom clearance of the following products:

- Chocolate containing by weight 90% or more of sugar (HS code 1806.10.01)
- Not-filled chocolate in blocks, slabs or bars (1806.32.01)
- Other chocolate products (1806.90.99)
- Chewing gum (1704.10.01),
- Other confectionery products (1704.90.99)

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1806>
<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1704>

SPS measures

All sanitary and Phytosanitary measures concerning the import of chocolate and confectionery into Mexico are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1806>
<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=1704>

Labelling

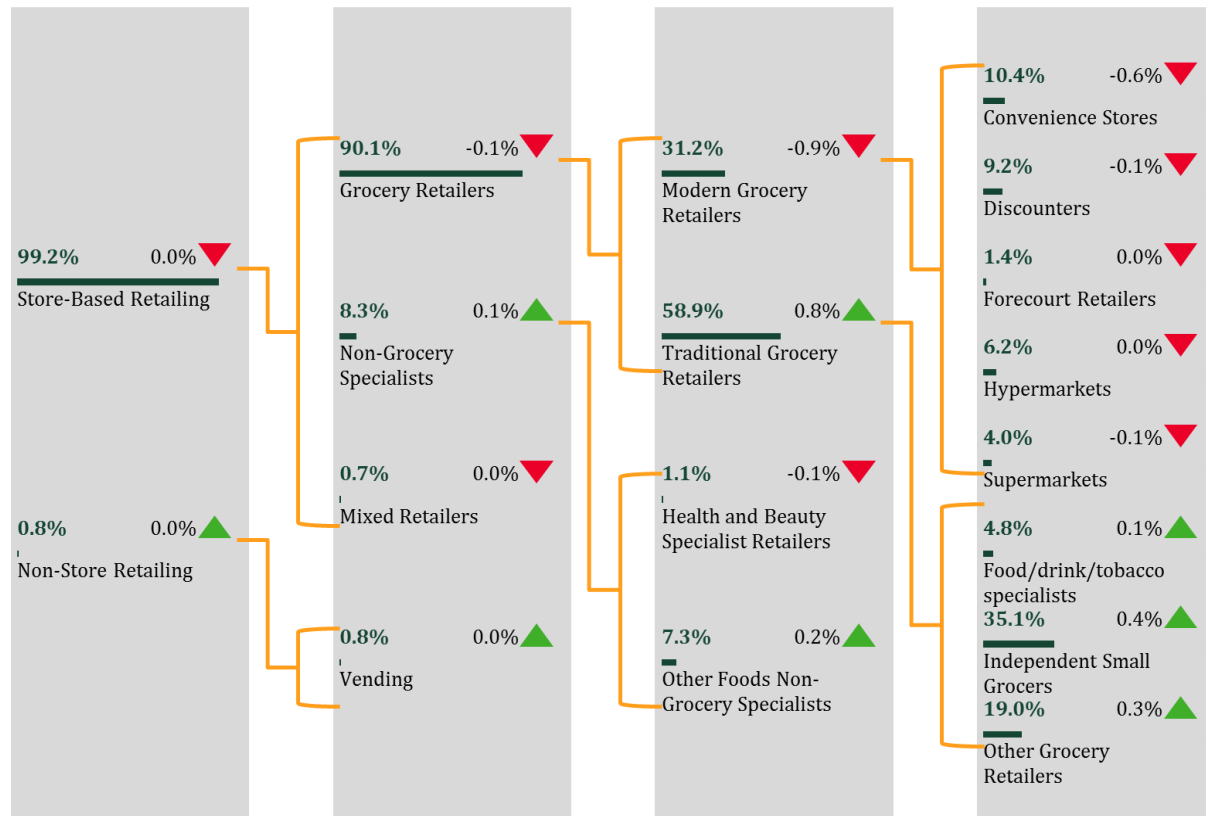
As described in more detail in section 4.2.3, imported chocolate and confectionery must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051- SCFI/SSA1-2010.

5.8.5 Distribution

As showed in Figure 5-73, distribution of chocolate and confectionery is highly fragmented. However, it can be observed that store-based retailing is the leading distribution channel. Most notably, grocery retailers accounted for 90.1% of all sales, 58.9% of which were done through traditional grocery retailers (primarily independent small grocers, also known as *tienditas*), and the remaining through modern grocery retailers (mostly convenience stores and discounters). Unlike modern grocery retailers, which lost shares in 2017, traditional grocery retailers recorded the highest growth in the sector. With regards to premium products, which are usually only available through department stores and food/drink/tobacco specialists, distribution trends are hence slightly different.

In coming years, independent small grocers are expected to maintain the biggest share of value sales in chocolate and sugar confectionery, although modern distribution channels such as supermarkets, hypermarkets and convenience stores are likely to gain relevance as they expand their number of outlets¹⁶⁴.

Figure 5-73: Distribution channel overview of all confectionery in Mexico (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.8.6 Challenges for EU products

Although massive, consumption of confectionery in Mexico has been slowing down in recent years, mainly due to a tax on high calorie products imposed in 2013, as well as to the spread of diabetes problems among children. On the contrary, chocolate sales have been on the rise in the past years, although growth is set to slow down in the coming years. Furthermore, European companies face the competition of domestic producers, which supply large shares of the Mexican market, as well as foreign importers, especially the United States, which is the first importer of chocolate and confectionery by volume and offer more affordable products.

¹⁶⁴ Euromonitor International: Packaged Food, 2018

Market Takeaway: Chocolate and confectionery

Consumption: Consumption of chocolate is set to slow down in coming years, while confectionery purchases, which recorded a negative value in the past years, are set to start growing again, but at a slow pace.

Competition: Mexico is a heavy producer of confectionery, and given to the high availability of cocoa, also the chocolate industry is expanding; US remains the first importer into Mexico by volume in the category of chocolate and sugar confectionery.

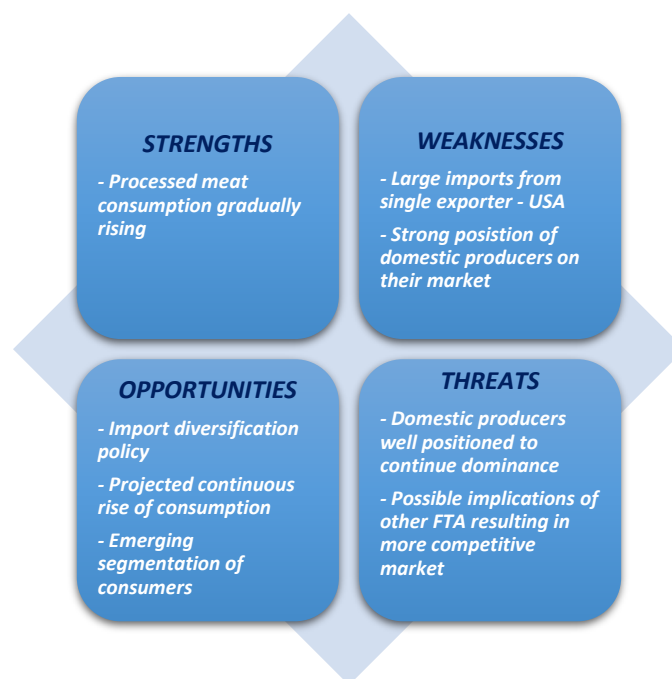
Distribution: Distribution is fragmented; however, it mainly takes place through traditional grocery retailers, followed by modern ones.

Challenges: consumers are more and more health-conscious, especially due to the spread of diabetes among Mexicans.

Opportunities: low-sugar, natural and healthier products are set to grow in importance for health reasons. EU companies will also have some advantages, in terms of market access, once the modernised EU-Mexico FTA will enter into force.

5.9 Processed meat

5.9.1 SWOT analysis

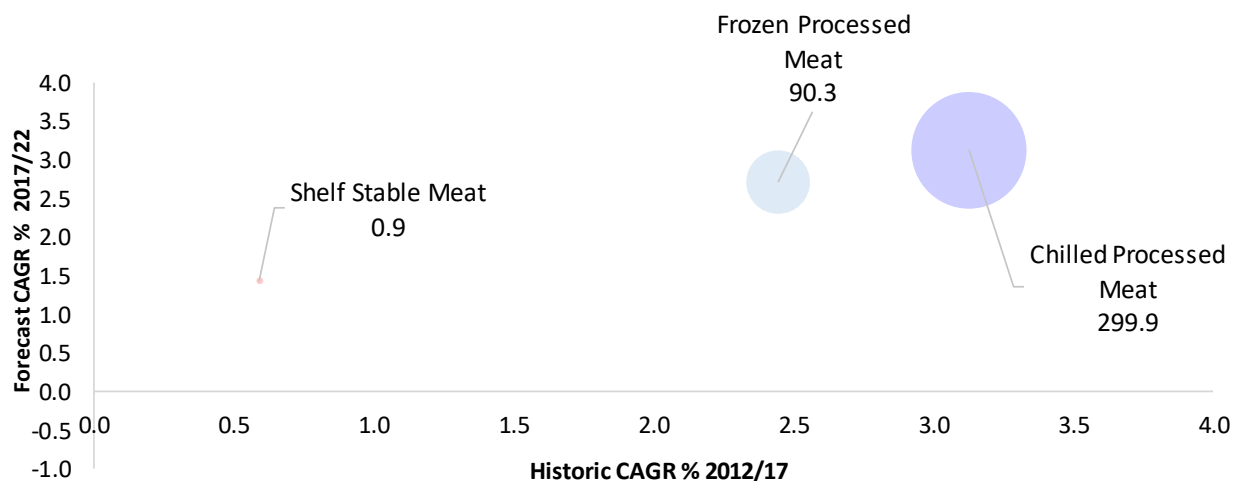


5.9.2 Consumption

5.9.2.1 Evolution of consumption

Consumption of processed meat in Mexico has been growing in recent years. Chilled processed meat, the largest segment, noted an increase of 3.1% per year in its market size between 2012 and 2017 and is projected to remain on upward trend over the forecast period. Second in the list, considerably smaller in terms of market size, frozen processed meat has been also on rise, increasing by 2.4% CAGR between 2012-2017 and is forecast to grow by 2.7% per year in next years. Shelf Stable meat, on the other, has not received much popularity, thus its market size is rather minor in comparison to previously mentioned segments (Figure 5-36).

Figure 5-36: Evolution and forecast of processed meat market (000 tonnes) in Mexico, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.9.2.2 Consumer profile and purchase criteria

Consumers



As mentioned in section 5.12.2.2, meat products constitute prominent ingredient of Mexican dietary habits. Fresh meat dominates however; and processed meat only accounts for a fraction of meat consumption across both categories (<5%).

Consumers in Mexico often choose processed meat products to complement their dishes or treat them as snacks. Chilled processed products are by far the most preferred type of processed meat. Typical processed meat products for the market in Mexico include Mexican ham, chorizo (which differs from the one known from Spain) as well as universally known chicken nuggets and wings. Lately, more and more consumers have started to pay attention to the quality, focusing on products with fewer added preservatives and natural ingredients. In effect, some Mexican producers introduced new launches based around mentioned preferences¹⁶⁵. This is also an area that could hold potential for EU chacuterie products, which are normally associated with quality.

Drivers and method of consumption

As is the case for the fresh meat sector in Mexico, dietary habits largely determine the level of processed meat consumption. In recent years, Mexican consumers have started to pay greater attention to the quality of products, particularly on preservatives added and natural ingredients. Such approach has been

¹⁶⁵ Euromonitor International: Packaged Food, 2018

triggered by consumers following healthier lifestyle and cutting sodium, sugar and fat intake. Moreover, the majority of consumers in Mexico take into account the price of processed meat products thus many of purchases are based upon promotions in stores.

Purchase criteria

As mentioned above, Mexican consumers generally tend to be rather price-conscious when purchasing processed meat products. Additionally, they often choose better-known and traditional products. Lastly, in recent years a consumer group with an intensified focus on health awareness has emerged. This group pays greater attention to preservatives used, sodium, sugar and fat intake; and subsequently primarily bases its approach on quality and natural ingredients.

5.9.2.3 Recent market trends

Processed meat products have noted continued growth and are predicted to remain on upward trend, as Mexican consumers regard meat as an important ingredient of their diets. Chilled processed meat has been the largest segment in the market, with particular increase of chilled processed poultry, mainly due to its pricing as well as flavour matters. Lately, Mexican market for processed meat has divided to some extent into premium, standard and economy brands, which differ in terms of pricing and ingredients¹⁶⁶.



5.9.3 Offer

5.9.3.1 Domestic production

The market for processed meat in Mexico relies both on imported products as well as domestic production, which offers a wide product portfolio. The leading company, Mexican multinational Sigma Alimentos holds nearly a quarter of the market and specialises in chilled processed red meat and poultry as well as frozen processed poultry. Other prominent companies in Mexico include Bachoco SA de CV, producing frozen processed products as well as Herdez Del Fuerte. Due to economic reasons, Mexican consumers are not particularly loyal to one brand, as they seek for in-store promotions from a range of brands they know. Competition between domestic manufacturers is high, therefore companies very often decide to launch their advertising campaigns on many channels, such as traditional media, i.e. television, printed media and billboards as well as on social media. Domestic production primarily consumed within the country rather than exported.

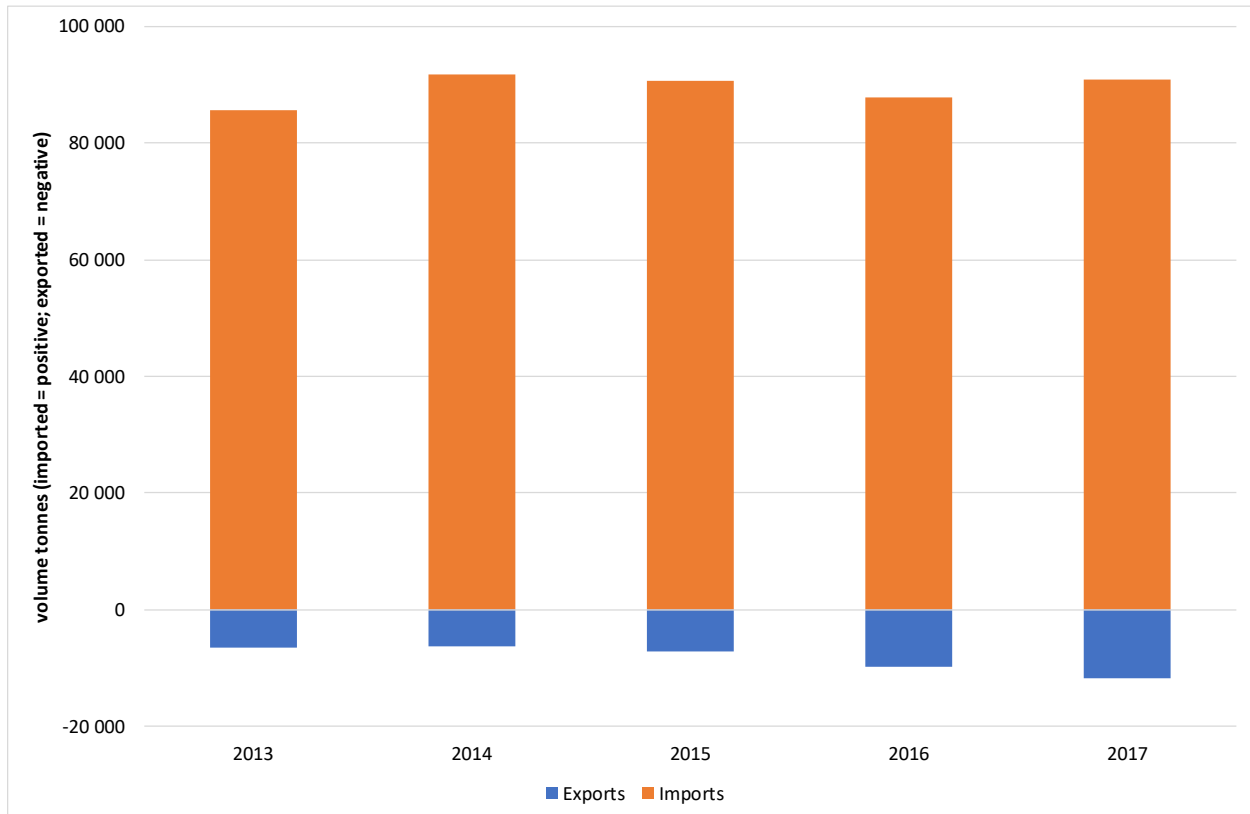
5.9.3.2 Imports and exports

As presented in Figure 5-37, imports of processed meat products to Mexico significantly outweigh exports volumes. However, whereas exports have been on gradual rise, imports volumes have been slightly

¹⁶⁶ Euromonitor International: Packaged Food, 2018

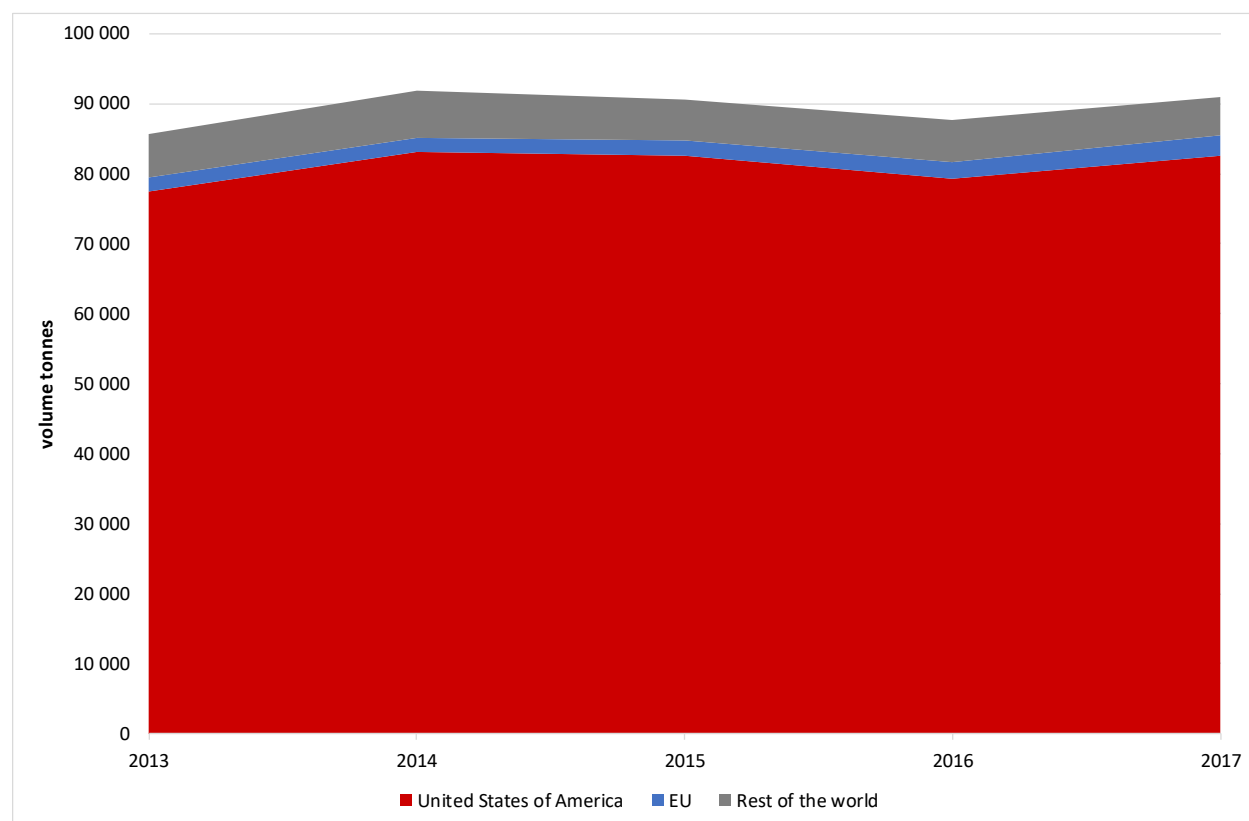
fluctuating over the years and ultimately picked up in 2017. Mexico has imported processed meat products almost exclusively from the US, with other countries playing marginal role considering overall import volume (Figure 5-38).

Figure 5-37: Trade balance (imports and exports) of processed meat in Mexico, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0210, 1601 and 1602

Figure 5-38: Mexican imports of processed meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0210, 1601 and 1602

5.9.3.3 EU GI products

As identified in section 4.2.4 on protection EU GI products, under the new EU-Mexico Trade Agreement, 340 products are set to be protected on the market. The following processed meat products have been included in the list:

- Tiroler Speck (Austria)
- Jambon d'Ardenne (Belgium)
- Pâté Gaumais (Belgium)
- Istarski pršut / Istrski pršut (Slovenia / Croatia)¹⁶⁷
- Baranjski kulen (Croatia)
- Dalmatinski pršut (Croatia)
- Drniški pršut (Croatia)
- Krčki pršut (Croatia)
- Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy) – France

¹⁶⁷ And Slovenia

- Jambon de Bayonne (France)
- Nürnberger Bratwürste; Nürnberger Rostbratwürste (Germany)
- Schwarzwälder Schinken (Germany)
- Szegedi szalámi; Szegedi téliszalámi (Hungary)
- Bresaola della Valtellina (Italy)
- Capocollo di Calabria (Italy)
- Coppa di Parma (Italy)
- Cotechino Modena (Italy)
- Culatello di Zibello (Italy)
- Mortadella Bologna (Italy)
- Pancetta di Calabria (Italy)
- Prosciutto di Parma (Italy)
- Prosciutto di San Daniele (Italy)
- Prosciutto Toscano (Italy)
- Salamini italiani alla cacciatora (Italy)
- Salsiccia di Calabria (Italy)
- Soppressata di Calabria (Italy)
- Speck Alto Adige / Südtiroler Markenspeck / Südtiroler Speck (Italy)
- Zampone Modena (Italy)
- Chouriça de Carne de Vinhais; Linguiça de Vinhais (Portugal)
- Chouriço de Portalegre (Portugal)
- Presunto de Barrancos / Paleta de Barrancos (Portugal)
- Salam de Sibiu (Romania)
- Kranjska klobasa (Slovenia)
- Kraška pancetta (Slovenia)
- Kraški pršut (Slovenia)
- Kraški zašink (Slovenia)
- Cecina de León (Spain)
- Dehesa de Extremadura (Spain)
- Guijuelo (Spain)
- Jabugo (Spain)
- Jamón de Teruel / Paleta de Teruel (Spain)
- Los Pedroches (Spain)
- Salchichón de Vic ; Llonganissa de Vic (Spain)
- Sobrasada de Mallorca (Spain)

5.9.3.4 Main competitors

Given the scale of US exports to Mexico, manufacturers from the US constitute the main foreign competitor when considering entering the market for processed meat in Mexico. More importantly, as outlined in section 5.9.3.1, domestic producers, thanks to their wide product portfolio, have a strong

position on the market; fulfilling the majority of domestic demand by addressing consumers' preferences as well as tailor-making advertising campaigns.

5.9.4 Specific market entry requirements

Market Access and Entry

Imported processed meat products are subject of market entry requirements set out in the General Health Law and more specifically in Animal Health Law and Zoosanitary Requirements Module, as described in section 4.2.1.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing processed meat products might require providing additional documentation concerning the Animal Health Law and Zoosanitary Requirements Module.

SPS measures

Importation of processed meat products to Mexico require set of documents to be delivered, certifying products' safety and quality.

- Application Sheet for Zoosanitary Requirements
- Import Certificate for Live Animals and Animal Products
- Veterinary Health Certificate for Animal Products
- Certificate of Analysis
- Free Sale Certificate

In addition, some products (e.g. HS code 1602, 0210) might require also Import Certificate for Aquatic Species or Import Permit for Wildlife Species¹⁶⁸.

As mentioned in section 5.12.4 there are three key SPS issues to bear in mind: authorisation (to be facilitated by pre-listing), regionalisation and the export of beef products. Please refer to section 5.12.4 for more details.

Up to date information on appropriate documents concerning SPS measures be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>

¹⁶⁸ http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=p_i_wild&hscod=0210&countryid=MX

Labelling

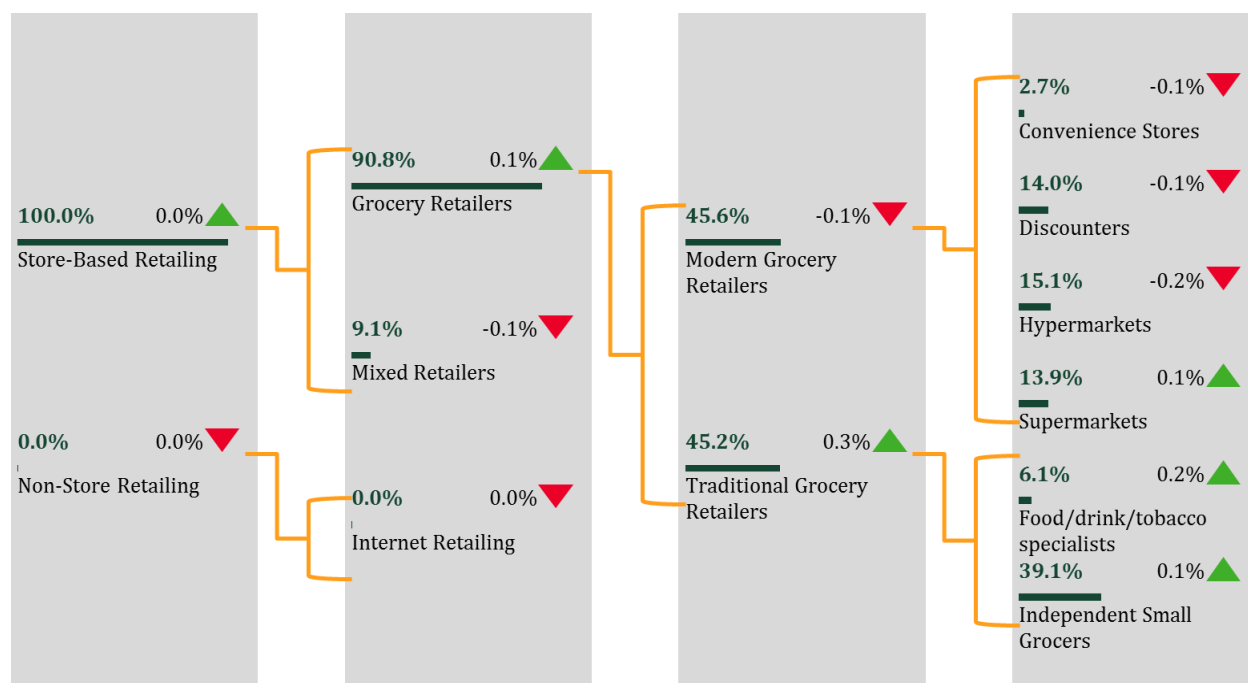
As described in section 4.2.3, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation. However, in case of processed meat products, two specific laws apply:

- Norma Oficial Mexicana NOM-034-SSA1-1993 on minced meat products¹⁶⁹
- Norma Oficial Mexicana NOM-102-SSA1-1994 on cured and cooked meat products¹⁷⁰

5.9.5 Distribution

As seen in Figure 5-39, processed meat is being distributed through modern grocery retailers and traditional grocery retailers, having very similar share in terms of retail value. Considering modern retailers, in 2017, 14% of Mexican consumers purchased processed meat products in discounters, which was roughly the same share as supermarkets (in terms of retail value). When it comes to traditional retailers, small independent grocers accounted for nearly 40% of retail value share.

Figure 5-39: Distribution channel overview of processed meat in Mexico (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

¹⁶⁹ NORMA OFICIAL MEXICANA NOM-034-SSA1-1993, BIENES Y SERVICIOS. PRODUCTOS DE LA CARNE. CARNE MOLIDA Y CARNE MOLIDA MOLDEADA. ENVASADAS. ESPECIFICACIONES SANITARIAS; <http://www.salud.gob.mx/unidades/cdi/nom/034ssa13.html>

¹⁷⁰ NORMA Oficial Mexicana NOM-122-SSA1-1994, Bienes y servicios. Productos de la carne. Productos cárnicos curados y cocidos, y curados emulsionados y cocidos. Especificaciones sanitarias; <http://www.salud.gob.mx/unidades/cdi/nom/122ssa14.html>

5.9.6 Challenges for EU products

EU producers planning to import processed meat products to Mexico should primarily take into account the strong domestic supply supplemented by established trade ties with USA and the scale of exports. As identified in section 5.9.3.2, vast majority of imports of processed meat into Mexico comes from the US. Domestic producers constitute a notable challenge, as their wide product portfolio matches consumers' preferences. Moreover, as Mexican consumer is, generally speaking, price-conscious, domestic manufacturers put great effort to advertise and promote their product in many means, including through frequent in-store promotions.

Market Takeaway: Processed meat

Consumption: Consumption of processed meat has been on gradual rise and is predicted to remain on upward trend. Chilled processed meat has been the largest segment within the market.

Competition: Market largely filled by strong domestic production, correctly addressing consumers' preferences; and mainly topped up by imports from the US.

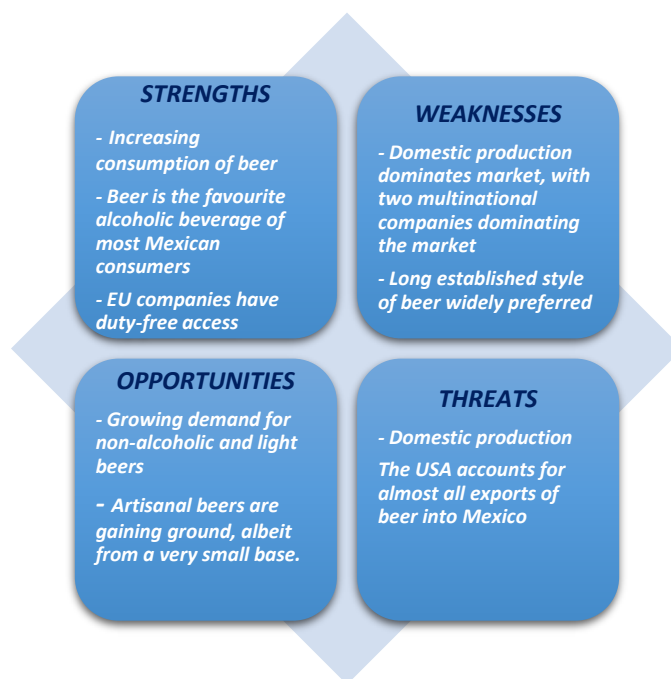
Distribution: Processed meat is distributed through traditional and modern retailers. Almost 15% of products are distributed through discounters.

Challenges: USA as a major exporter of processed meat products to Mexico; strong position of domestic producers, offering wide selection of products

Opportunities: Consumption on the rise, newly introduced diversification policy, focusing on widening number of importers; emerging segmentation among consumer groups.

5.10 Beer

5.10.1 SWOT analysis



5.10.2 Consumption

5.10.2.1 Evolution of consumption

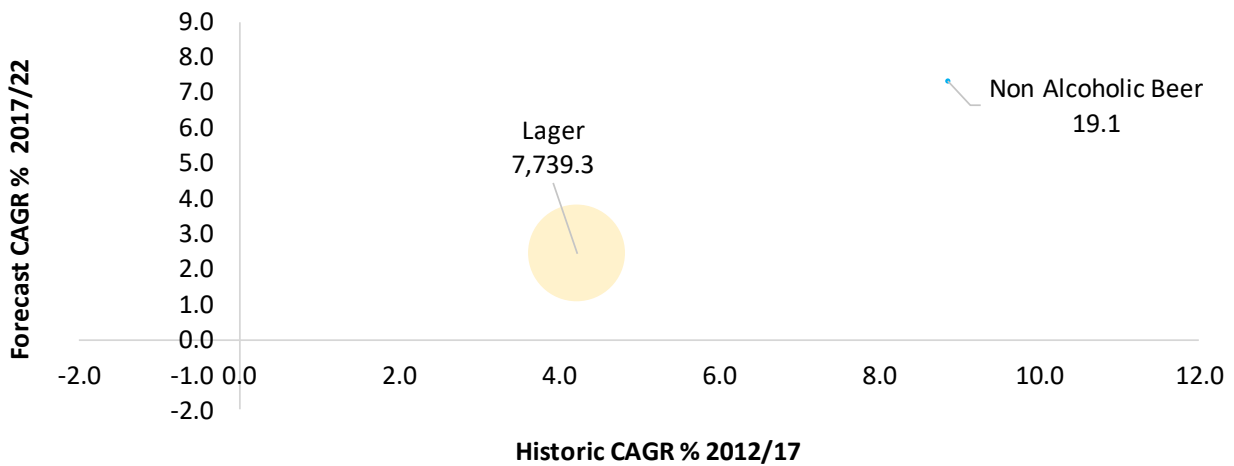
Mexicans are the sixth major consumers of beer worldwide¹⁷¹. As indicated in Figure 5-40, consumption of beer in the Latin American country is hence massive, reaching volumes of over 7.8 billion litres per year (2017 figure), 7.7 billion of which are lagers. Mexicans are also developing a taste for non-alcoholic beers, as demonstrated by the yearly +8.9% growth posted in 2012-2017. Furthermore, according to experts, around 4.9 billion of beer consumed in Mexico in 2017 was light beer¹⁷².

Per capita consumption of lager beer grew pretty fast and is expected to further rise over the next few years. In 2017, per capita consumption of lagers amounted to 62.7 litres, which are expected to reach 67.5 litres in 2022. On the contrary, per capita consumption of non-alcoholic beer is set to remain roughly constant in the coming years.

¹⁷¹ ¿Cuánta cerveza consumen los mexicanos al mes?, <https://www.forbes.com.mx/cuanta-cerveza-consumen-los-mexicanos-al-mes/>

¹⁷² In Mexico almost 50% of beers are light. Brewing and Beverage Industry International, Volume 5, 2018, p 9.

Figure 5-40: Evolution and forecast of beer market (million litres) in Mexico, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.10.2.2 Consumer profile and purchase criteria

Beer is Mexicans' favourite alcoholic beverage. Both young and adult people are used to drink it in different occasions, mostly to have fun in company of friends and relatives. Although industrial beer is purchased more often, since it is more affordable, craft beers consumption is on the rise. Furthermore, healthy-conscious consumers are driving the growth of the non-alcoholic and light segments.

Consumers

In a recent survey, most Mexican adults indicated that not only beer was the first alcoholic drink they have purchased in their life (68%), but it is also the beverage they prefer today (61%). This was particularly the case of south-eastern residents, 81% of whom provided such answers¹⁷³.



Consumption of beer in Mexico slightly varies based on some indicators, including:

- **Age:** Half young consumers, aged 26-35, purchase beer, but they only account for 24% of the total volume consumed in Mexico; Less than half consumers over the age of 36 purchases beer, but this segment is responsible for almost two thirds of total beer consumption (by volume).

¹⁷³ Consumo de Bebidas Alcohólicas en México, http://consulta.mx/index.php/estudios-e-investigaciones/mexico-opina/item/download/247_dab404656793dde544cc57ad691c9e35

- **Gender:** beer is purchased by over 44% men and slightly less than 42% women. However, men are responsible for 65% of the total beer consumption in Mexico¹⁷⁴. Women are also gradually trading up for craft beers, which are perceived as healthier compared to certain other alcoholic beverages including mass-market beer¹⁷⁵.

Drivers and method of consumption

Most Mexicans purchase beer to have fun and enjoy the company of friends and colleagues (during the whole week) and relatives (especially during the weekend). While consumption of industrial beer mostly takes place at home, consumers are more likely to drink craft beer at bars and restaurants. Methods of consumption slightly vary between different consumers segments:

- Men over the age of 60 drink beer in company of friends, and to a less extent with relatives. They drink especially at night.
- Young people aged 26-35 consume beer in company of their partner and are more likely to purchase it in bars and clubs.
- Occasional consumers mostly drink beer during meals, especially at restaurant, food stalls or in occasion of sportive and other kind of events¹⁷⁶.



Mexicans typically consume beer from glass bottles (which are returnable), with 325ml bottles available both through on and off-trade channels; and bottles of just under 1 litres (*caguamas*) available through off trade channels. One particular method of consumption, which is popular among certain consumer groups, is the mixing of beer with chilli, lime and salt to create a beer “cocktail” called a *Michelada*.

Purchase criteria

Domestically produced beers, which dominates the market and hence can be considered to reflect overall consumer tastes, are generally light-bodied, mild tasting beers. These are primarily blonde beers. While there are some amber or slightly darker beers, they share the aforementioned characteristics. According to a recent survey, over half consumers indicated to prefer industrial beers, followed by 14% respondents who reported to prefer craft beer, over other alcoholic beverages. Consumers that opt for craft beers are mostly driven by taste and quality. Nonetheless, lower-income customers are more affected by price when making purchases. Due to a general health-conscious trend, consumers are more and more

¹⁷⁴ 4 de 10 mexicanos toman y prefieren cerveza,

<http://www.alimentacion.enfasis.com/notas/79066-4-10-mexicanos-toman-y-prefieren-cerveza>

¹⁷⁵ ¿Por qué el consumo de cerveza es tan importante en México?, <https://www.forbes.com.mx/forbes-life/consumo-cerveza-mexico/>

¹⁷⁶ 4 de 10 mexicanos toman y prefieren cerveza,

<http://www.alimentacion.enfasis.com/notas/79066-4-10-mexicanos-toman-y-prefieren-cerveza>

purchasing light beers that contain less calories, which according to experts may achieve 40% share of the market in 2021^{177,178}.

5.10.2.3 Recent market trends

In Mexico, consumption of beer is very high, and is projected to further rise, driven by a wider product offer, as well as a growing interest among consumers. Consumption is projected to grow by nearly 13% in 2017-2022, with sales reaching 8.8 billion in 2022¹⁷⁹. Although lager beer is expected to remain the most popular segment, low calories and non-alcoholic beers are gaining momentum, as consumers, especially women, are increasingly paying attention to their health. Craft beers are a very small segment (estimated at under 0.1%) in a market which has traditionally been dominated by two large breweries; however, there are recent indications that interest in craft and alternative beers is increasing and is hence a trend worth monitoring¹⁸⁰.

5.10.3 Offer

5.10.3.1 Domestic production



With around 29.5 billion bottles (or 110 million hectolitres) per year, Mexico has established itself as the fourth largest producer of beer in the world, preceded only by China, US and Brazil. The main driver of the domestic production growth has been exports, which rose enormously thanks to the advances in internationalisation AB InBev and Heineken achieved following their respective acquisitions in the last ten years of the two large domestic breweries, Cervecería Cuauhtémoc Moctezuma and Grupo Modelo¹⁸¹. Beer is

produced almost everywhere in Mexico, particularly in the states of Zacatecas (nearly 18% of the total production), Coahuila (15%), Mexico (13%), Nuevo León (11%), and Oaxaca (11%)¹⁸².

¹⁷⁷ Deloitte Report: La cerveza artesanal – una experiencia multisensorial, <https://www2.deloitte.com/content/dam/Deloitte/mx/Documents/consumer-business/2017/Cerveza-Artesanal-Mexico-2017.pdf>

¹⁷⁸ In Mexico almost 50% of beers are light. Brewing and Beverage Industry International, Volume 5, 2018, p 9.

¹⁷⁹ Euromonitor International: Alcoholic Drinks, 2018

¹⁸⁰ <https://www.forbes.com.mx/cerveza-artesanal-mexicana-con-todo-para-crecer/> ; <https://expansion.mx/empresas/2018/05/17/mexico-inaugura-una-malteria-para-impulsar-la-cerveza-artesanal>

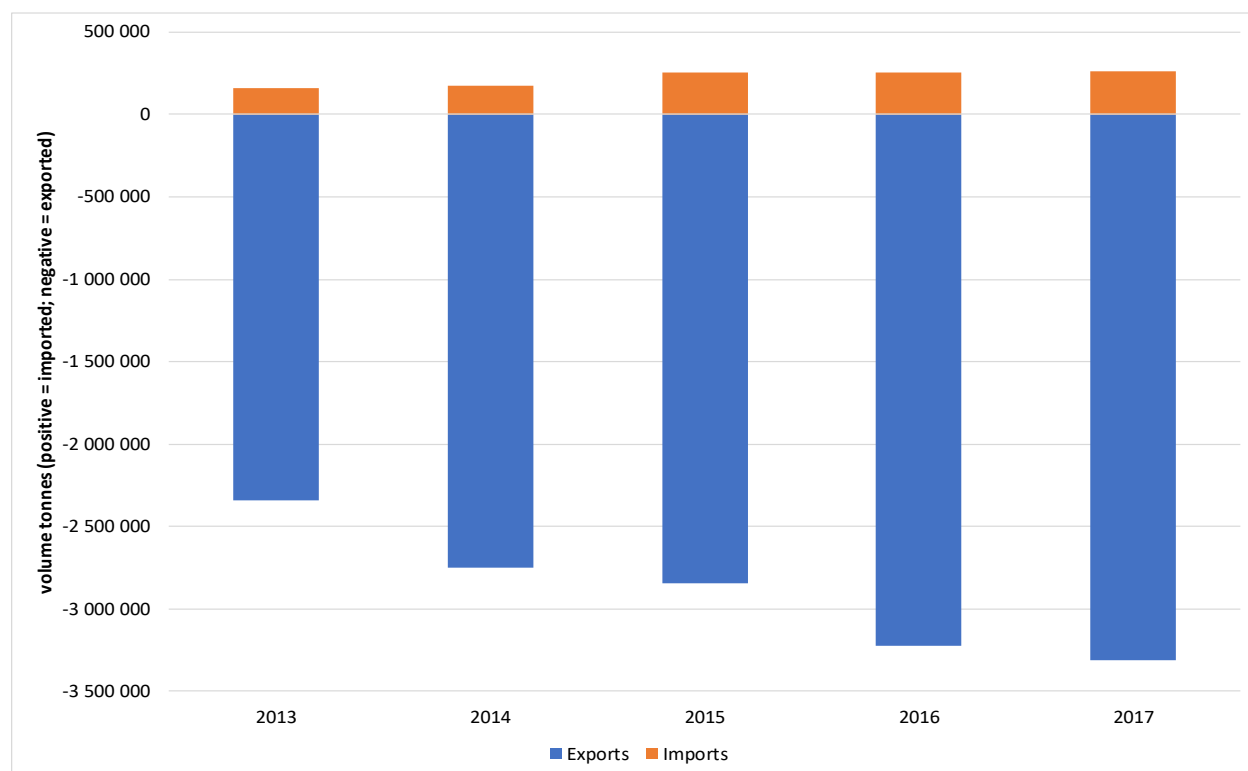
¹⁸¹ MX passes Germany in beer production, <https://mexiconewsdaily.com/news/mx-passes-germany-in-beer-production/>

¹⁸² Cerveceros de México, <https://cervecerosdemexico.com/industria-cervecera-infografias/>; <https://cervecerosdemexico.com/estado-de-la-industria/>

5.10.3.2 Imports and exports

As indicated in Figure 5-41, due to large domestic production, volumes of exported beer enormously exceed imports: Mexico exported 3.3 million tonnes of beer, while importing 262 267 tons in 2017. Currently Mexico is responsible for the production of one in five beers exported in the world, which makes it the main beer exporter worldwide¹⁸³. This is an increasing trend, as Mexican imports have stagnated, while exports have been rapidly rising in 2012-2017.

Figure 5-41: Trade balance (imports and exports) of beer in Mexico, 2013-17; tonnes



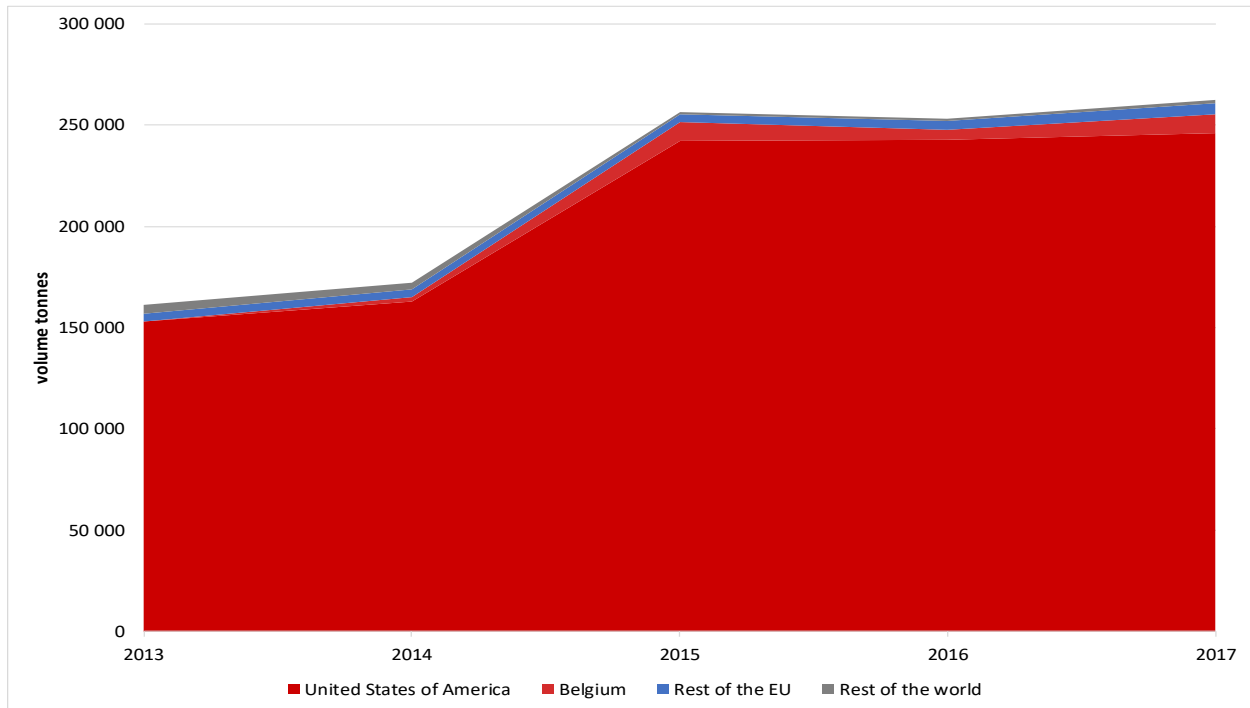
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203

Figure 5-42 shows that the United States lead exports of beer to Mexico, accounting for nearly 94% of all Mexico imports by volume (2017 figure). Belgium, Germany and Netherlands, which lag far behind the American country, follow, accounting for almost 6% of total volumes of beer imported by Mexico. One of the main reasons why the USA dominate the imports is that the country is a heavy producer of beer, the second largest worldwide. Furthermore, under the NAFTA, Mexico and the United States have eliminated tariffs on several agri-food products, including beer, hence boosting mutual exports.

¹⁸³ Cerveceros de México y el INEGI, <https://www.forbes.com.mx/cerveceros-de-mexico-y-el-inegi/>

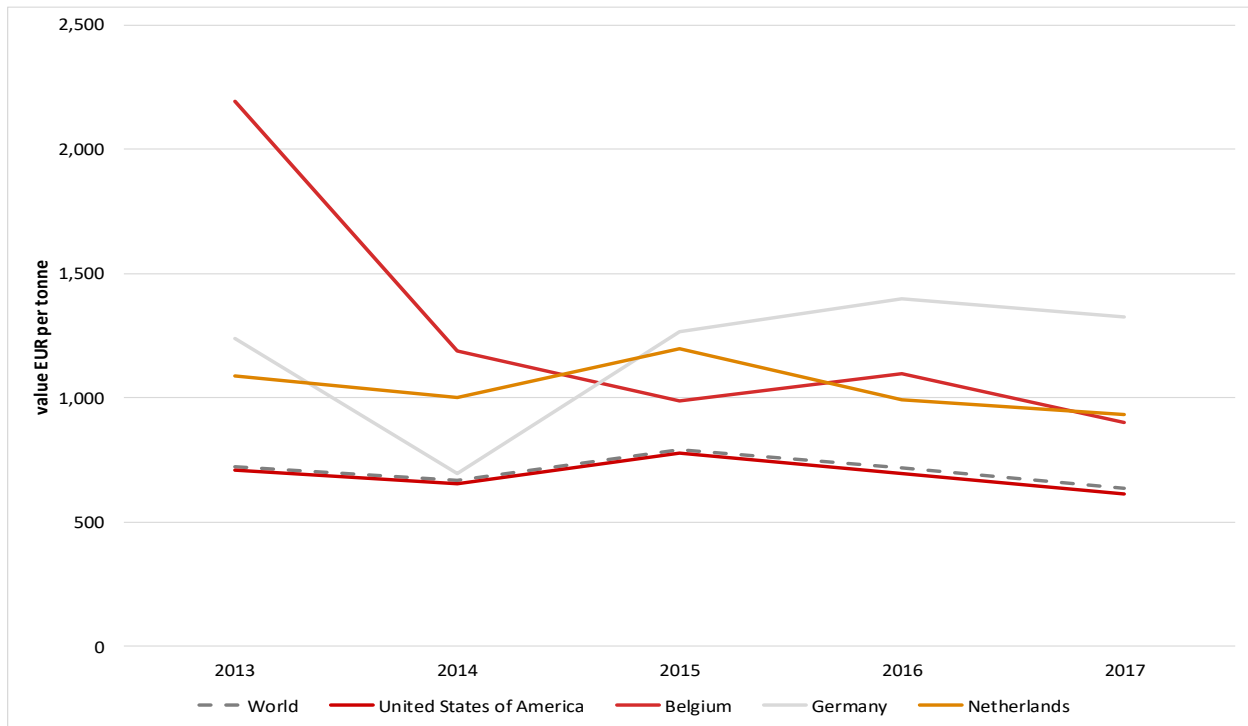
While the United States are the largest importer of beer by volume, the unit value of US beer was fractionally below the world average (614 EUR/tonnes) in 2017. On the contrary, European beers unit value, which largely fluctuated in 2012-2017, was relatively high compared to beers imported from other countries, including the USA. German exports recorded the highest unit value (1 327 EUR/tonnes).

Figure 5-42: Mexico imports of beer by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2203

Figure 5-43: Per unit value of Mexican imports of beer for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203 (Beer made from malt)

5.10.3.3 EU GI products

As reported in section 4.2.4, under the modernised EU-Mexico Trade Agreement, several products are set to be recognised as Geographical Indications in Mexico, including some beer products:

- Czech Republic: *České pivo*, and *Českobudějovické pivo*.
- Germany: *Bayerisches Bier*, *Bremer Bier*, *Dortmunder Bier*, *Kölsch Beer*, *Kulmbacher Bier*, and *Münchener Bier*.

5.10.3.4 Main competitors



As described in section 5.10.3.2, benefitting from the NAFTA, the United States currently account for almost all Mexican imports of beer. What is more, imports are a small share of the beer market, which is dominated by the massive domestic producers (see section 5.10.3.1): Group Modelo of Inbev and Cervecería Cuauhtémoc Moctezuma (also known as Heineken Mexico), which respectively hold a share of 57.3% and

40.5% of the Mexican beer market; effectively making the market a duopoly. In order to keep their shares,

the two companies have been constantly adjusting their offer to meet the consumer needs, recently focusing, for example, on light and non-alcoholic beers¹⁸⁴.

5.10.4 Specific market entry requirements

Market Access and Entry

As described in section 4.2.1, beer producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2). In terms of tariffs, European products have duty-free access to the Mexican market.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=2203>

Customs procedures

A list of standard documents required for import beer into Mexico is presented in section 4.2.1. Furthermore, a document confirming that importers have registered as Importers of Alcohol and Alcoholic Beverages with the Tax Administration Service is required for custom clearance.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=2203>

SPS measures

All sanitary and Phytosanitary measures concerning the import of beers into Mexico are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=2203>

Labelling

As described in more detail in section 4.2.3 (see in particular Table 4-1), imported beer must comply with the specific labelling rules concerning alcoholic beverages set out in *Norma Oficial Mexicana* 142, or NOM-142-SSA1/SCFI-2014, and *Norma Oficial Mexicana* 199, or NOM-199-SCFI-2017.

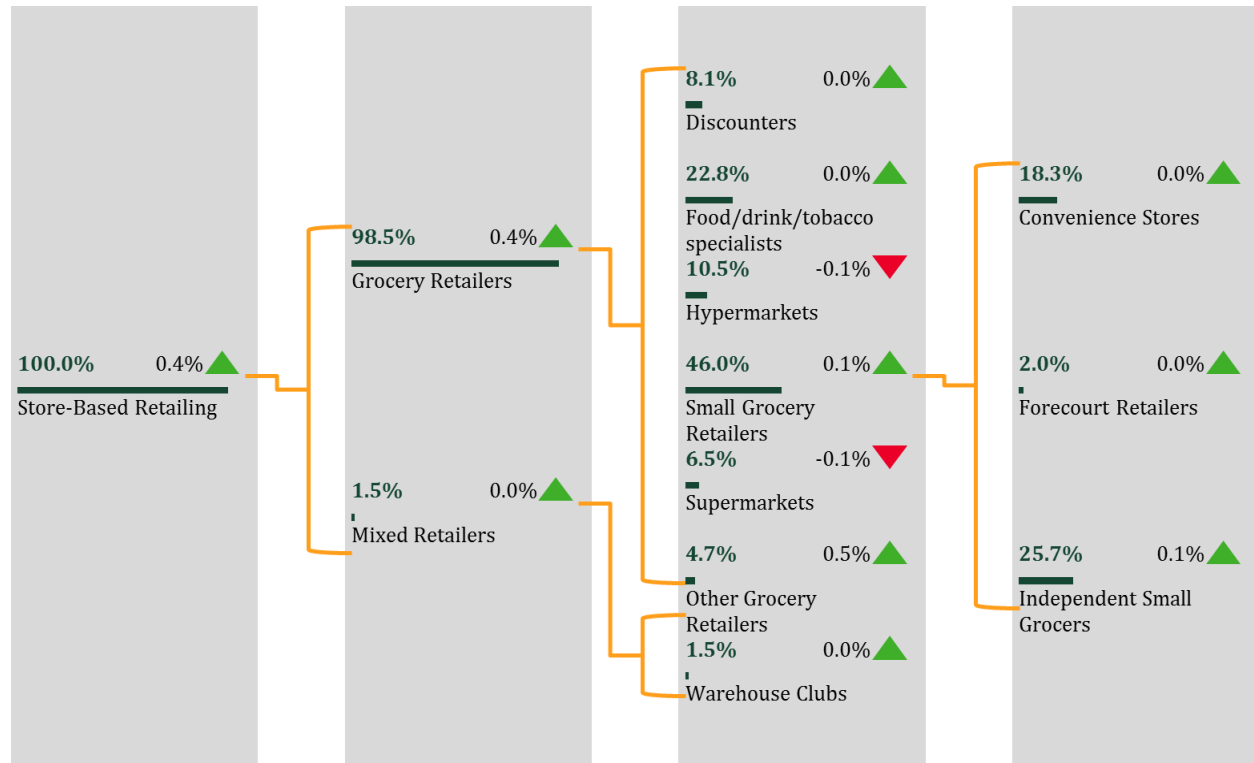
5.10.5 Distribution

In Mexico, off-trade channels account for 78% of beer sales in terms of volume. As outlined in Figure 5-44, in 2017, the main off-trade channels for beers were small grocery retailers (46%) as well as food/ drink/

¹⁸⁴ Euromonitor International: Alcoholic Drinks, 2018

tobacco specialists (22.8%), followed by hypermarkets (10.5%), discounters (8.1%), and supermarkets (6.5%).

Figure 5-44: Distribution channel overview of beer in Mexico (2017)



Source: Euromonitor International: Alcoholic Drinks, 2018

5.10.6 Challenges for EU products

Although beer is highly popular in Mexico, European producers may find it challenging to penetrate this market. This is due to the heavy domestic production with the domestic producers making the mainstream market a duopoly; and strong imports from the more geographically close US. Indeed, overall

Market Takeaway: Beer

Consumption: Consumption of beer is slowly rising, driven by a wider product offer, as well as a growing interest among consumers.

Competition: Market dominated by two multinational companies, Group Modelo and Heineken Mexico; imports, which are relatively low, come almost entirely from the USA.

Distribution: Beer is mainly purchased through off-trade channels, in particular store-based retailing.

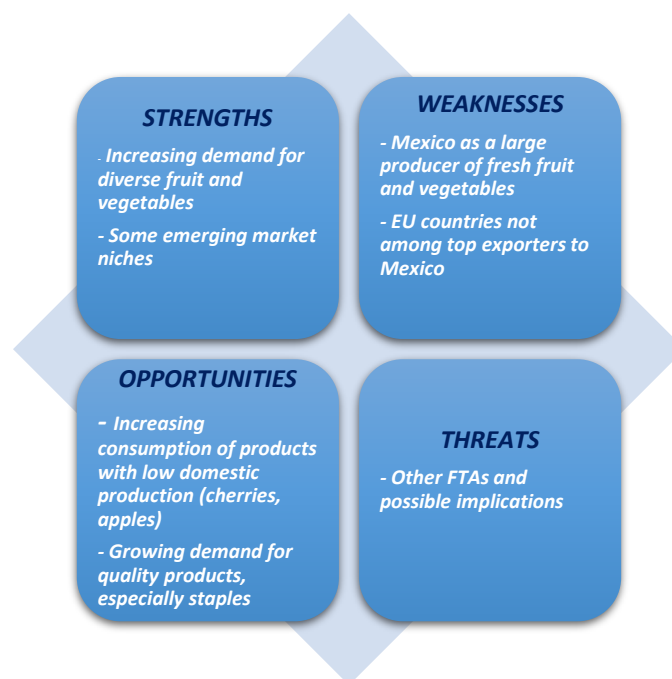
Challenges: Saturated market, given the heavy domestic production, which effectively creates a duopoly; and the strong competition of US imports.

Opportunities: Brewed beers are increasingly appreciated by Mexican consumers; healthy-conscious segment is driving the rising sales of non-alcoholic and light beers. Potential may be emerging among artisanal beers.

the beer market can be considered saturated. The two-big companies Group Modelo and Cervecería Cuauhtémoc Moctezuma (Heineken Mexico) are constantly adjusting their offer to meet the consumer needs and hence hold on to their dominating market shares.

5.11 Fresh fruit and vegetables

5.11.1 SWOT analysis



5.11.2 Consumption

5.11.2.1 Evolution of consumption

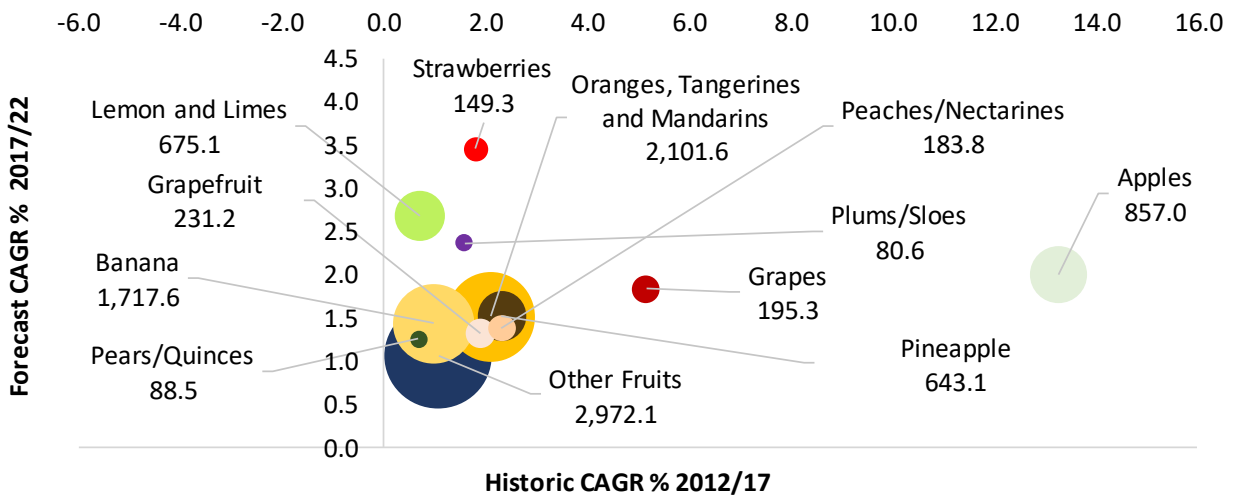
The market for fresh fruit has been on the rise, with all categories noting a positive compound annual growth rate (CAGR) in years 2012-2017. As presented in Figure 5-45, the category of other fruit (which includes avocados, mangoes, apricots among others) have the largest share in Mexican market for fresh fruit. They have been steadily growing since 2012 (1.1% per year) and are projected to continue an upward trend. Similarly, the market size of the second biggest category - oranges – has been also growing (2.1% per year) and is expected to grow further, followed by bananas, which market size rose by 1% per year between 2012 and 2017 and is predicted to reach growth of 1.4% CAGR over the forecast period.

Other segments within the fresh fruit category such as the market for apples and pineapples are much smaller in terms of market size. Lastly, two categories recorded exceptionally high growth in years 2012-2017, namely fresh apples and cherries (over 13% and nearly 13% per year respectively). This growth was driven by the increased availability of these products, both due to local production¹⁸⁵ and imports, and the distribution of these products by premium retailers. Interestingly enough, the cherry market is

¹⁸⁵ In this context it should be noted that the base year of 2012 was an anomaly for production of apples in Mexico, as drought hit apple producing regions, greatly restricting domestic production (and hence impacting overall availability). Domestic cherry production on the other hand has rapidly grown over the 2012-17 period but remains small.

predicted to keep the high growth (over 7% per year), whereas apples' market size growth is expected to slow down (2% per year).

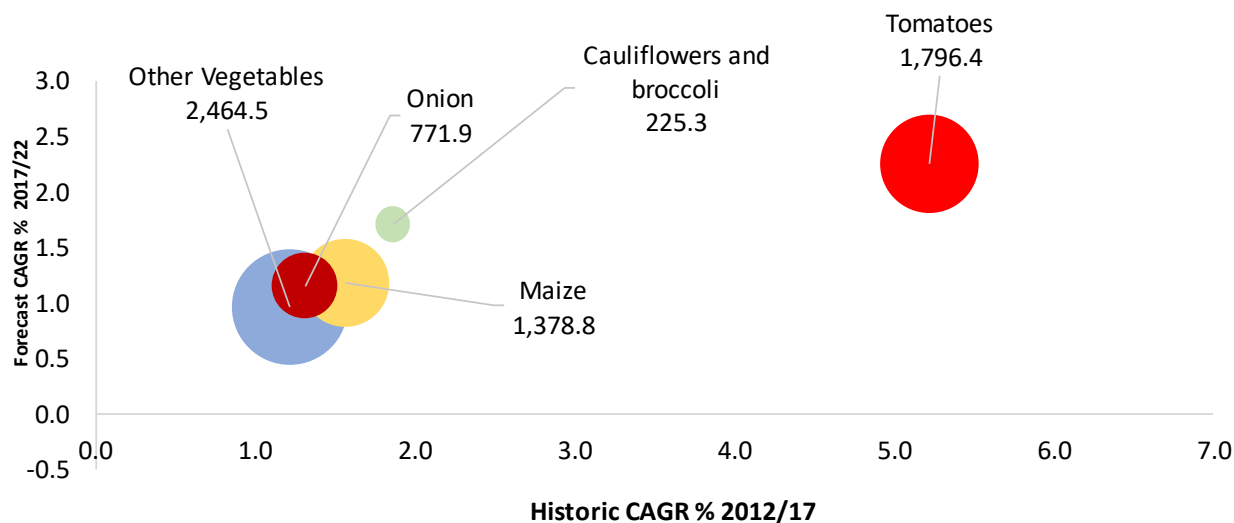
Figure 5-45: Evolution and forecast of fresh fruits market (000 tonnes) in Mexico, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

As in the case of fresh fruit, the market for vegetables in Mexico has also been on the rise, with all categories noting a steady growth in years 2012-2017 (Figure 5-46). Other vegetables, i.e. notably peppers, eggplants, carrots, green vegetables and mushrooms, are the largest category within the market, with expected gradual growth of 1% over the forecast period. Tomatoes, the second biggest segment, noted the greatest growth of 5.2% per year between 2012 and 2017 and are expected to continue growing. The markets for maize, onions, cauliflowers and broccoli recorded a positive CAGR and are also expected to remain an upward trend.

Figure 5-46: Evolution and forecast of vegetables market (000 tonnes) in Mexico, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

5.11.2.2 Consumer profile and purchase criteria

Consumers



Mexico is a large producer of both fruit and vegetables, which have been fundamental for Mexican cuisine and lifestyle. Fresh fruits are commonly used as a street snack (as indeed are some vegetables) or consumed this way at households¹⁸⁶. Moreover, consumers in Mexico find some fruits indispensable when it comes to preparing Mexican dishes – with avocados being the perfect example. This fruit is widely used in vast variety of meals and prepared in different ways. Mangoes or papayas, on the other hand, have had a wide use in preparing desserts but have been also used

in some typical Mexican preparations such as salsa or quesadillas¹⁸⁷. Furthermore, one of the commonly used fruit in preparing meals are lemon and limes, which are widely used in almost all traditional Mexican dishes. Apples and bananas are commonly fed to babies by their parents. Other fruits in common use are oranges, pineapples, apples, melons and strawberries among others.

In case of vegetables, consumers in Mexico base majority of their dishes on corn preparations as well as tomatoes and peppers. There are numerous ways of incorporating mentioned vegetables into Mexican diet, including, drying, stuffing, frying, etc. Corn, on the other hand, is a basic starch in Mexico, forming

¹⁸⁶ The Fruit and Vegetables of Mexico; <https://whywaittoseetheworld.com/mexican-fruits-and-vegetables/>

¹⁸⁷ 7 Traditional Mexican Fruits and Vegetables; <https://mexicaligrillrestaurant.com/7-traditional-mexican-fruits-and-vegetables/>

almost all sorts of traditional dishes. Other essential vegetables include squash, tomatillo, jicama and onions among many others.

Notable consumer sub-groups include:

- **Health conscious consumers:** These consumers are constantly looking for products that might provide specific benefits leading to a healthy lifestyle. Concrete examples are: are berries (antioxidant properties); lemons, oranges and grapefruits (vitamin C); and cactus leaves, carrots and celery (better health in general).
- **Convenience-oriented consumers:** these consumers look for convenience in terms of portability and ease of consumption; and hence often choose products such as bananas (portable and easy to consumer) and oranges (easy and affordable source of juice).
- **Price sensitive consumers:** These consumers prefer affordable items including tangerines, mandarins, oranges and grapefruit while staying away from high priced cranberries, cherries and kiwis.

Demand for organic fruit and vegetable products is currently very low. This is due to a combination of: the high price point of these products; a lack of perception among most consumers of difference compared to non-organic products; and the inability of producers to meet the volume requirements of the major retailers, hence restricting their availability. That said, organic produce is increasingly available in specialist outlets; and with increasing interest from some consumer segments (partly due to increased domestic production albeit for export) demand for such products is expected to increase going forwards.

Drivers and method of consumption

The main factor driving the consumption of fresh fruit and vegetables is Mexican cuisine, which determines the type and scale of the usage. Some products are regarded as staple food for consumers in Mexico, e.g. corn, beans, tomatoes, avocados, chilli peppers, limes, and they are willing to pay higher price for quality products. Despite the prices increases of avocados and tomatoes in case of rising production or transport costs or bad weather conditions, these products are still widely consumed by Mexican consumers. In terms of method of consumption, as mentioned in the beginning of this section, fresh fruit and vegetables are widely used in meal preparation, being dried, stuffed, fried etc. or treated as a snack. Younger consumers frequently pair their fruit with powder chili – with cucumber, jicama, mango and oranges being the most popular amongst these consumers.

Purchase criteria

Mexican consumers, as identified above, base their purchases on: products' usefulness in domestic cuisine; and availability, which is influenced by seasonality, and often leads to the consumption of products in-season. Moreover, despite the overall price-consciousness, consumers in Mexico put products' quality over the price when it comes to certain products, such as avocados or tomatoes. In general, recent price increases did not discourage consumers to purchase quality products¹⁸⁸. Some

¹⁸⁸ Euromonitor International: Fresh Food, 2018

consumers are willing to choose pricier imported products over local ones if they perceive the quality and taste to be higher.

5.11.2.3 Recent market trends

In general, the output of the Mexican market for fresh fruit and vegetable is largely combined with weather conditions, which ultimately impacts supply and prices of products as well as production and transport costs. Nevertheless, some staple products, regardless of price increases are continuously appreciated by Mexican consumers.



The latest market consumption trend in Mexico relates to apples and cherries, which market size has been significantly rising in previous years. In case of cherries, as domestic production in Mexico is rather minor in comparison to latest trends, thus in view of increasing popularity Mexico has been importing large volumes of this fruit from abroad, mainly USA. In the segment of fresh vegetables, Mexican farmers, e.g. in Aguascalientes, have recently started to develop new “gourmet” chillies, which can be used to improve dishes¹⁸⁹.

5.11.3 Offer

5.11.3.1 Domestic production

Mexico is a large producer of numerous varieties of fresh fruit and vegetable. The most prominent products include avocados, corn, tomatoes, peppers, chillies, lemon and limes, onions and strawberries among many others. In addition, there are many other fresh fruit and vegetable, which are typical for Mexican culture and climate. As identified further, in section 5.11.3.2, Mexico also imports certain products, despite having production present. However, ultimately it does not fulfil domestic demand, as in case of apples, for instance¹⁹⁰, where the dominant manufacturers are located in Chihuahua, Durango, Coahuila and Puebla. Notable operators in the small but growing organic segment include Aires de Campo and Campo Vivo.

5.11.3.2 Imports and exports

As presented in Figure 5-47, Mexico exports far more of fresh fruit and vegetables than imports. Moreover, export volumes of fresh fruit have been on significant rise since 2013, whereas exports of fresh vegetables slightly dropped in 2017, after a period of considerable growth in years 2014-2016. Imports of both fruit and vegetables, on the other hand, have remained relatively stable throughout last years.

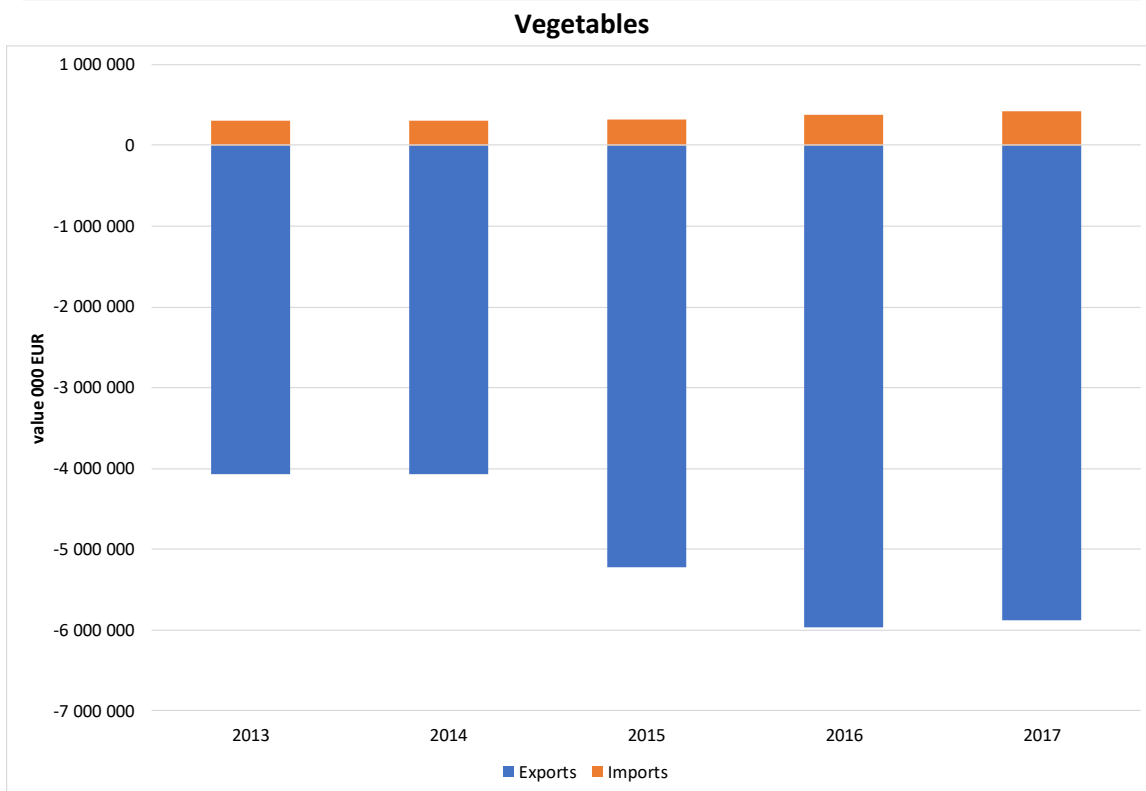
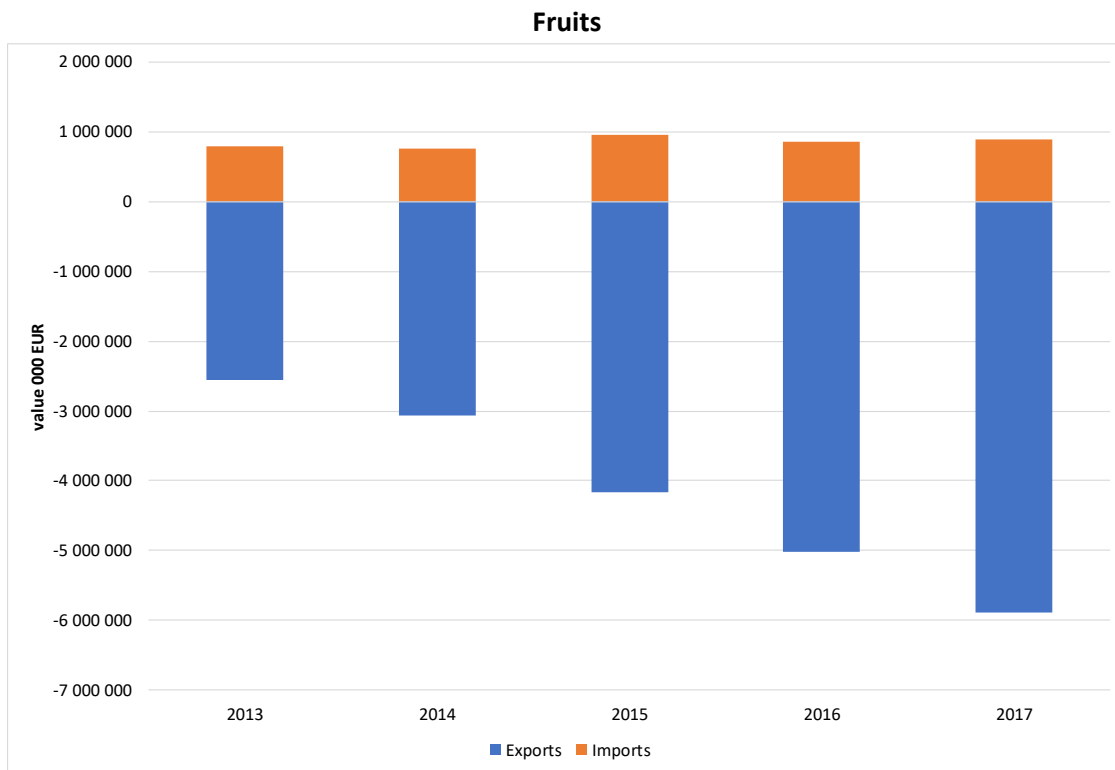
¹⁸⁹ Euromonitor International: Fresh Food, 2018

¹⁹⁰ Mexico, Fresh Deciduous Fruit Annual, United States Remains Main Supplier of Deciduous Fruit to Mexico; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Fresh%20Deciduous%20Fruit%20Annual_Mexico%20City_Mexico_11-15-2018.pdf

In the sector for fresh fruit, Mexico exports large volumes of avocados - these account for vast majority of total exported volume. They are followed by exports of strawberries, citrus fruits, melons and bananas (Figure 5-48). In case of fresh vegetables, analogically, there is one dominant product being exported – tomato, which is followed by cucumbers, onions, cabbage, cauliflowers and lettuce. Apples, pears and quinces; and apricots, cherries and peaches stand out as the only categories across fruit and vegetables for which Mexico has a deficit. While maize is not included in the CN code for vegetables in the graphs, it is worth noting that there is effectively a swap trade, with large volumes of yellow corn are imported for domestic tortilla production while white corn is exported for processing abroad into corn syrup.

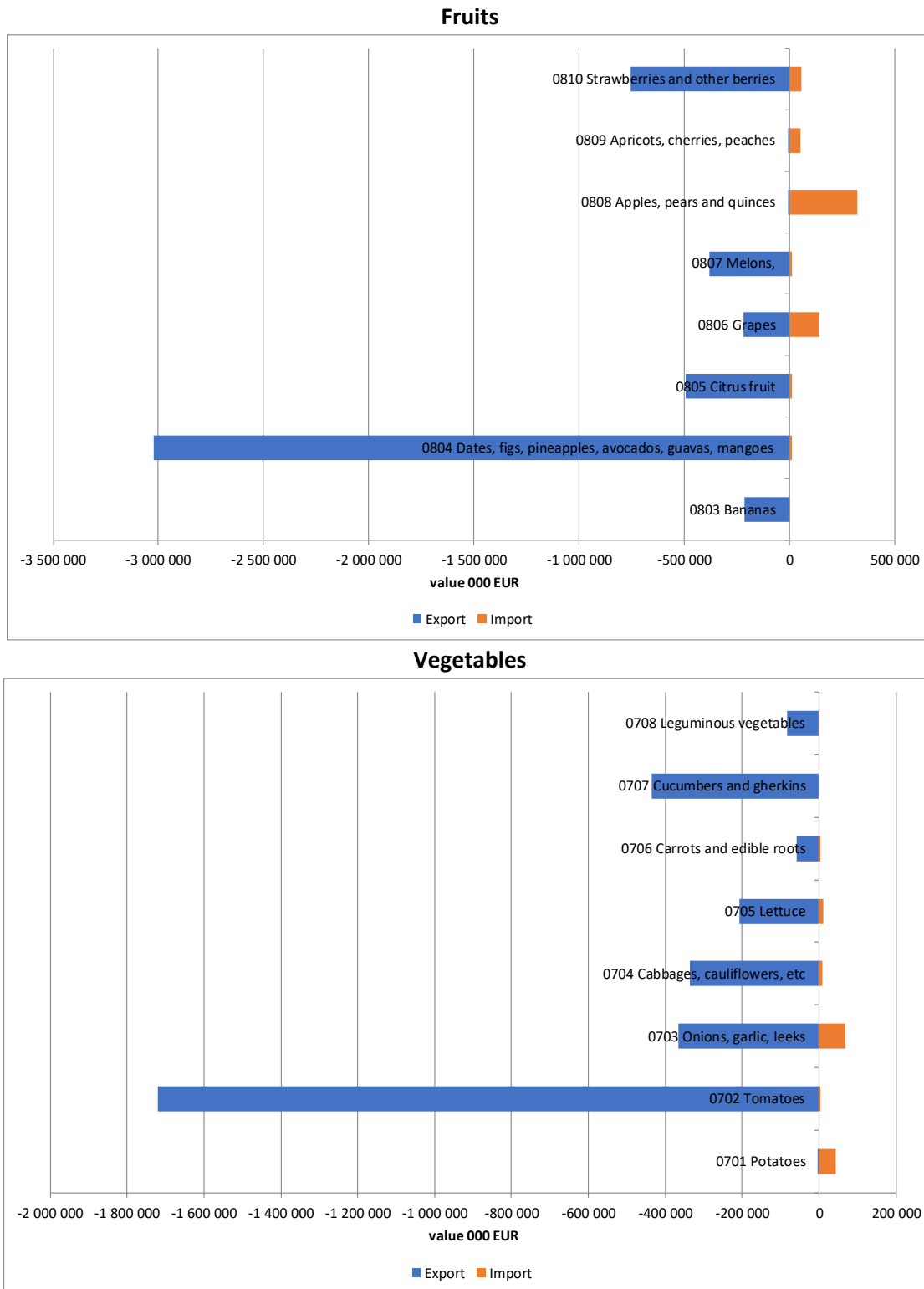
As depicted in Figure 5-49, USA is a major exporter of both fresh fruit and vegetables. Other countries include Chile and Canada, followed by Peru, China and Turkey.

Figure 5-47: Trade balance (imports and exports) of fruits and vegetables in Mexico, 2013-17; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 07 and 08

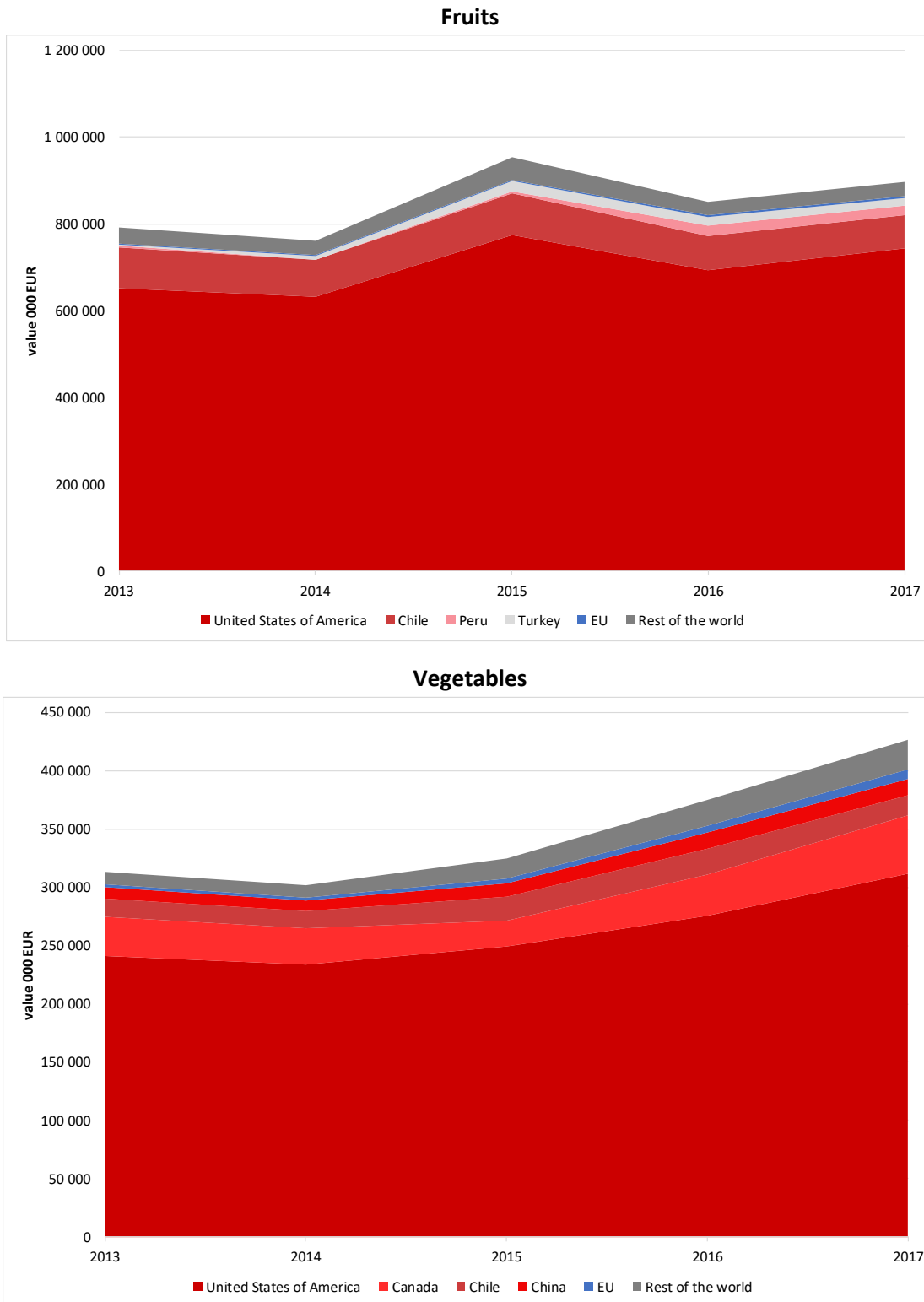
Figure 5-48: Trade balance of fruit and vegetables by type, 2017 (value 000 EUR)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Note: names for CN codes abbreviated in most cases

Figure 5-49: Mexican imports of fruits and vegetables by country, 2013-17; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 07 and 08

5.11.3.3 EU GI products

As identified in section 4.2.4 on protection EU GI products, under the new EU-Mexico Trade Agreement, 340 products are set to be protected on the market. The following fresh fruit and vegetable products have been included in the list:

- Plate de Florenville (Belgium)
- Ail blanc de Lomagne (France)
- Ail de la Drôme (France)
- Ail rose de Lautrec (France)
- Noix de Grenoble (France)
- Pomme du Limousin (France)
- Κορινθιακή Σταφίδα Βοστίτσα (Korinthiaki Stafida Vostitsa) – Greece
- Mela Alto Adige; Südtiroler Apfel (Italy)
- Pomodoro S. Marzano dell'Agro Sarnese-Nocerino (Italy)
- Maçã de Alcobaça (Portugal)
- Pêra Rocha do Oeste (Portugal)
- Cítricos Valencianos; Cítrics Valencians (Spain)

5.11.3.4 Main competitors

The Mexican market for fresh fruit and vegetables mainly relies on domestic production, which provides staple products for consumers, making the market effectively self-sufficient and with a large trade surplus in all but a few categories. Major processors of fruit and vegetables in Mexico include Frutas Mayra Sa de CV, Vidimport Sa de CV and Casa Quintana Sa de CV in case of fruit as well as Distribuidora Hortimex SA de CV, Mar Bran SA de CV and Interfruver de Mexico SA de CV in the vegetable market.

Most gaps in supply, especially during unfavourable weather conditions and poor harvest, are filled with imported products – the vast majority from the USA, followed by fruit and vegetables from Canada, Chile as well as Peru, China and Turkey. Imports from the EU are historically very small.

That said, there are some niches where competition is lower and there may be opportunities for EU exporters. These include: cherries (though there is notable competition from the US for this fruit), plums and grapes; kiwis (which are entirely imported); apples (which are widely used but for which Mexico is not self-sufficient); non-white onions (90% of Mexico's large onion production is white onion); aubergines (which are commonly associated with Italian cuisine); and artichokes (which have gained some popularity as an exotic dish). Premium/gourmet retailers are important distributors in several of these niches (see sections 4.4.2.1 and 5.11.5).

5.11.4 Specific market entry requirements

Market Access and Entry

Imported fresh fruit and vegetables are subject to market entry requirements set out in the General Health Law as described in section 4.2.1. In addition to essential market entry documentation, fresh fruit and vegetables are subject to phytosanitary certification and requirements.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing fresh fruit and vegetables might require providing additional documentation concerning the phytosanitary aspects.

SPS measures

Importation of fresh fruit and vegetables to Mexico require set of documents to be delivered, certifying products' safety and quality:

- Application Sheet for Phytosanitary Requirements
- Import Certificate for Plants and Plant Products
- Phytosanitary Certificate (*Certificado Fitosanitario*)

Please be advised that in case of re-exportation on the basis of Phytosanitary Certificate, an additional document applies – Phytosanitary Re-Export Certificate¹⁹¹.

Mexico has traditionally applied an inspection requirement (pre-clearance) to producers wishing to export to Mexico. A new system will be introduced under the modernized EU-Mexico FTA, meaning that individual member states will be able to apply for approval to export certain fruit and vegetable products without further individual producer inspections. It should be noted that some member states such as Spain and Portugal have already successfully negotiated this approval in advance of the entry into force of the updated agreement, and hence already facilitating exports. If you are interested in exporting fruit or vegetables to Mexico, it is worth contacting the competent authorities of your member state to verify the current situation.

Up to date information on appropriate documents concerning SPS measures can be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>

Labelling

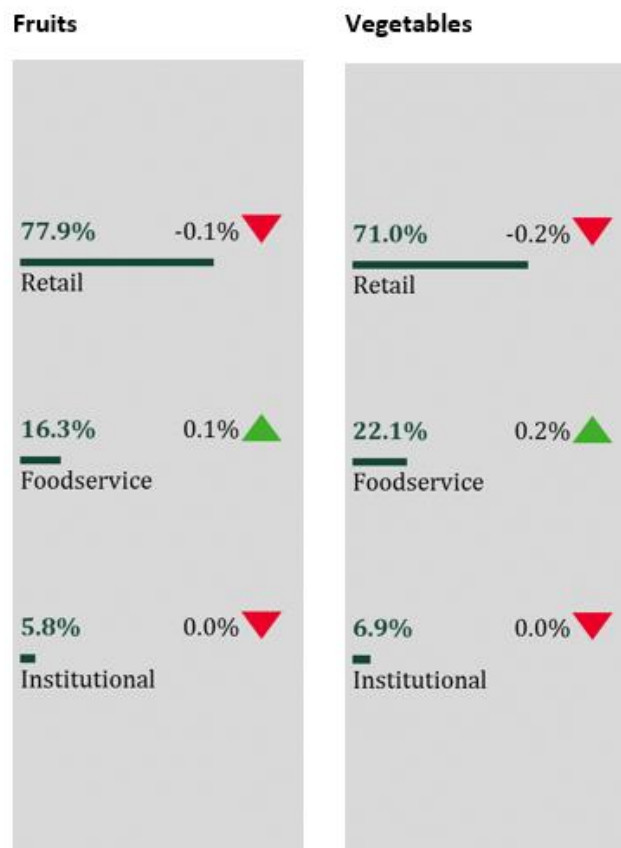
As described in section 4.2.3, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

¹⁹¹ http://madb.europa.eu/madb/viewPageFPubli.htm?countryid=MX&hscod=0810&doc=cf_phy_re.html

5.11.5 Distribution

As seen in Figure 5-50, in terms of total volume, both fresh fruit and vegetables are mainly distributed through retail channel (over 70% of shares). Moreover, in both cases, there were no significant changes in shares in 2017. Grocery retailers including supermarkets now account for just over half of fruit and vegetable retail sales, with fixed and open markets the balance. The importance of supermarkets for distribution has grown in recent years. They tend to have an important impact on the sales performance of different fruit vegetable products as they determine the placement and space allocated to each one. With the evolution of modern retailers which may now target different market segments (see section 4.4.2.1), different retailers are also looking for different products for their target segments; most notably, premium/gourmet retailers look for an increasingly wide variety of high-quality produce.

Figure 5-50: Distribution channel overview of fresh fruit and vegetables in Mexico (2017); total volume



Source: Euromonitor International: Fresh Food, 2018

5.11.6 Challenges for EU products

Given that Mexico is a large producer and net exporter with a high level of domestic self-sufficiency in most categories, export of fresh fruit and vegetables to Mexico may be challenging. Imports occur only in specific product segments or in case of unfavourable weather conditions with the vast majority of fresh

fruit and vegetables being imported from USA. Lastly, legislation has historically been a notable barrier, but this is being partly alleviated under the updated EU-Mexico FTA.

Market Takeaway: Fresh fruit and vegetables

Consumption: Consumption of all fresh fruit and vegetables has been on the rise, including products which price has increased, e.g. tomatoes, avocados.

Competition: Market almost entirely self-sufficient, with occurring imports from USA in case of few products and/or poor harvest due to unfavourable weather conditions.

Distribution: Fresh fruit and vegetables distributed mainly through retail channels (over 70% of shares in terms of total volume).

Challenges: Domestic production/self-sufficiency and historically challenging legislation.

Opportunities: Increasing consumption of fresh fruit and vegetables. Specific opportunities in cases which domestic production do not satisfy demand, e.g. apples, cherries. Some niche opportunities eg. Aubergines, artichokes, kiwis. Moreover, Mexican consumers tend to place quality of products very high, sometimes disregarding higher price, especially for staples. Simplification of import procedures under the updated FTA.

5.12 Fresh meat

5.12.1 SWOT analysis

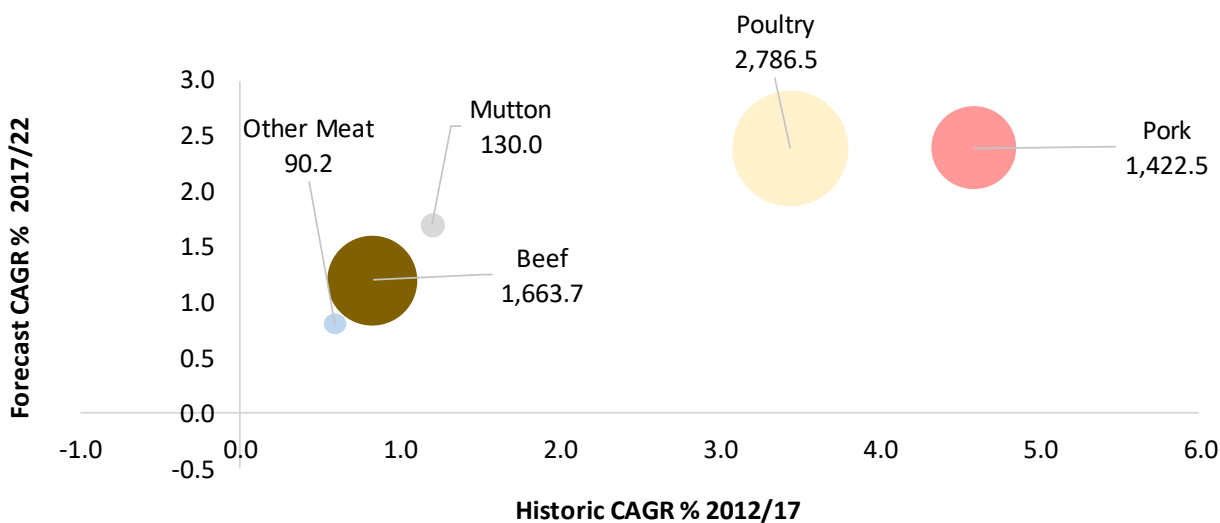


5.12.2 Consumption

5.12.2.1 Evolution of consumption

Consumption of meat in Mexico has been rising and reached 6.1 million tonnes in 2017. As Figure 5-51 depicts, poultry is the largest segment and has been noting an increase of 3.4% per year between 2012 and 2017 and is projected to increase further, however at a slower pace (2.4% per year). Beef is next, however in recent years its increase was the lowest – 0.8% per year. The beef market size is expected to grow by 1.2% over the forecast period. Pork, on the other hand, noted the highest increase in years 2012-2017 (4.8% per year) and its growth is forecast to slow down to 2.4% compound annual growth rate (CAGR) in the incoming years. Consumption of mutton and other meats have been significantly smaller than the mentioned three types of fresh meat, however its market size is to rise – mutton by 1.7% per year and other meat – 0.6% per year.

Figure 5-51: Evolution and forecast of fresh meat market (000 tonnes) in Mexico, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

5.12.2.2 Consumer profile and purchase criteria

Consumers

Meat in Mexico is considered as an important ingredient in traditional dietary habits. Mexican consumers use fresh meat in a vast variety of their dishes, sometimes combining several types of them. Poultry, beef and pork are preferred; however, consumption of goat meat has been increasing, especially in the northeast region of the country where the dish *cabrito* is very popular¹⁹².



Poultry is regarded as the most affordable animal protein in Mexico, followed by pork and then beef, consumption of which is often constrained by low income and often unavailable for middle-incomers (see Table 5-3). Moreover, growing consumption of poultry has been driven by both concerns about the health impacts of red meat and increasing attention from the processing sector¹⁹³. Despite the fact that beef prices are in general much higher than poultry, projected economic stability in the country is expected to drive higher beef consumption over the next years¹⁹⁴. Pork is perceived as a

¹⁹² Euromonitor International: Fresh Food, 2018

¹⁹³ Mexico, Poultry and Products Annual, A Robust Poultry Sector Continues in Mexico; USDA Gain Report; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual_Mexico%20City_Mexico_7-27-2018.pdf

¹⁹⁴ Mexico, Livestock and Products Annual, Multiple Trade Deals Open the Gates to Exports and Competition; USDA Gain Report; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Mexico%20City_Mexico_9-14-2018.pdf

staple meat in many parts of the country and is used in many traditional dishes as well as an important input for processed meat products.

Table 5-3: average retail prices of different meats (MXN per kg), 2018

Meat	Average retail price per kilo
Poultry	52
Pork	85
Beef	143

Source: Euromonitor International Ltd / Agra CEAS

Recent years have brought the growing popularity of goat and other meats such as wild boars or exotic such as grasshoppers or maggots¹⁹⁵. As mentioned above, the demand for goat meat has been emerging particularly in the northeast region of the country, but also in central Mexico¹⁹⁶.

Against the background set out above, three further notable consumer groups can be identified:

- **Price sensitive:** These consumers now have more disposable income but opt for affordable meats and hence favour poultry.
- **Health conscious:** as noted above, health concerns have recently affected the types of meats some consumers prefer. With much research outlining the harmful impacts of red meat, these consumers prefer white meat and/or leaner cuts and better-quality products. This segment is also more likely to consider vegetarian alternatives such as cheeses, mushrooms, cactus leaves, pumpkin flowers and potatoes.
- **Taste driven:** These consumers look for specific cuts and are not restrained by price. This group is leading to the uptake of beef and veal, especially in foodservice outlets.

Drivers and method of consumption

Two most important factors impacting the meat consumption and meat preferences in Mexico are combined with pricing and culture. As majority of Mexican citizens tend to be middle-incomers or low, their approach towards meat purchases largely depend on products' pricing. Therefore, due to the lowest price of poultry this type of meat is often preferred. Secondly, due to the fact that Mexican dietary habits are considerably meat-based, consumers in Mexico often choose meat which is suitable for traditional dishes, though there has been evolution and adaptation in the types of meat used for such dishes. This has also favoured poultry as it can be used in a wide variety of traditional meals (some tacos, enchiladas, tinga and mole).

In terms of method of consumption, it should be pointed out that for Mexican consumers the crucial meal of the day is lunch (*La comida*). It usually consists of several courses including appetizer, a soup or salad

¹⁹⁵ Exotic meats popular in Mexico, despite questionable source; <https://america.cgtn.com/2018/03/21/exotic-meats-popular-in-mexico-despite-questionable-source>

¹⁹⁶ Euromonitor International: Fresh Food, 2018

and the main course – very often containing meat. One-pot dishes are very typical for Mexican cuisine. In addition to the examples for poultry identified above, several other main fresh meat preparation methods are commonly used, e.g.:

- *Carne asada* – marinated grilled meat, cut into strips. Usually used in burritos and tacos.
- *Pollo asado* – marinated grilled chicken, treated as an alternative to beef in burritos and tacos.
- *Lengua* – slow-cooked beef tongue, typically used in burritos.
- *Carnitas* – seasoned pork.



Purchase criteria

As mentioned above, a large group of Mexican consumers tend to be price-conscious when purchasing meat, which is often combined with middle/low income or relative poverty. Moreover, as Mexican consumption habits are strictly linked to meat, consumers often base their criteria on applicability of meat to traditional dishes, however some consumers also look for alternatives.

Freshness is also generally sought after by Mexican consumers, and the colour of the meat can influence consumers (for example, poultry that is slightly yellow in colour is generally preferred). As a general rule, unpackaged products are considered fresher than packaged ones, even if the latter are often preferred for convenience reasons.

5.12.2.3 Recent market trends

Recent years brought increase in fresh meat consumption in every segment. The market size of poultry and pork has been growing, mostly due to affordability matters. However, in the view of exchange rate of the Mexican peso against the US dollar in 2017, impacting positively imports of meat from the US, the demand for higher priced cuts of beef and veal has been increasing, especially in the foodservice channel¹⁹⁷. The premium market segment as a whole, and the specific segment of beef and veal for food service both show good potential in coming years. Some brands of organic meats have emerged on the market of late, though this trend is still quite young.

¹⁹⁷ Euromonitor International: Fresh Food, 2018

5.12.3 Offer

5.12.3.1 Domestic production

Meat production capacity is extensive, however due to increasing demand, Mexico's imports of fresh meat have been growing, especially in case of poultry and pork. Moreover, domestic production of fresh meat has been expanding in all segments. Further details, applying to respective sector are set out below:

- Beef – production has been fuelled by government programmes and low feed prices. Efforts have been made to improve traceability of products. Beef is mostly produced in Veracruz and Jalisco, followed by San Luis Potosi and Chiapas¹⁹⁸.
- Pork – growth of production has been influenced by investments in vertical integration and infrastructure. The biosecurity measures have been improved and Mexico is currently focused to expand infrastructure for slaughter and processing. The state of Jalisco is the leader in fresh pork production, followed by Sonora, Puebla and Yucatan.
- Poultry – production has experienced steady growth due to low cost of feed. Mexican poultry sector is also characterized by the presence of patio poultry farming seen across the country in addition to large-scale commercial production. Moreover, usage of layer hens for eggs and then meat is a common practice in Mexico¹⁹⁹.



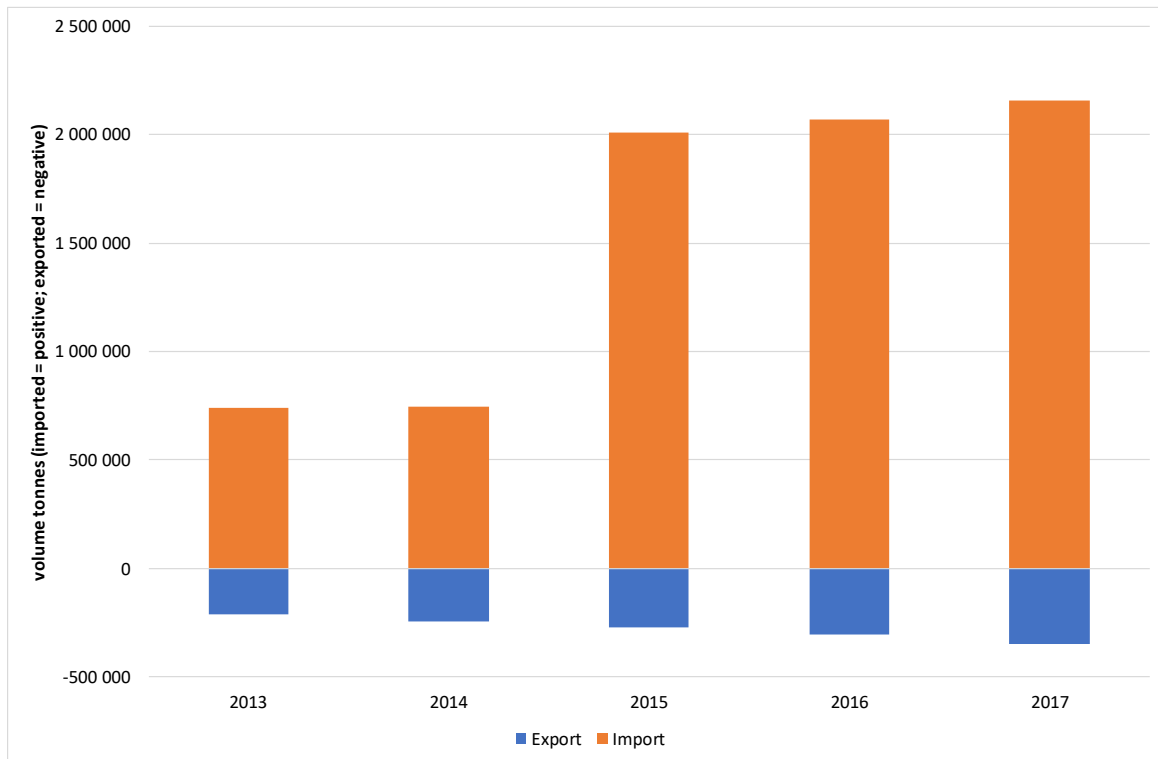
5.12.3.2 Imports and exports

As presented in Figure 5-52, Mexican imports of fresh meat have significantly exceeded export volumes in last years. Imports went up considerably in 2015 and have been steadily growing since. Exports, on the other hand, have been noting gradual growth since 2013. Poultry and pork account for the largest share of Mexican imports, followed by offal and beef (Figure 5-53). Lastly, as seen in Figure 5-54, the vast majority of imports come from the US, followed by Canada and Brazil.

¹⁹⁸ Mexico, Livestock and Products Annual, Multiple Trade Deals Open the Gates to Exports and Competition; USDA Gain Report;
https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Mexico%20City_Mexico_9-14-2018.pdf

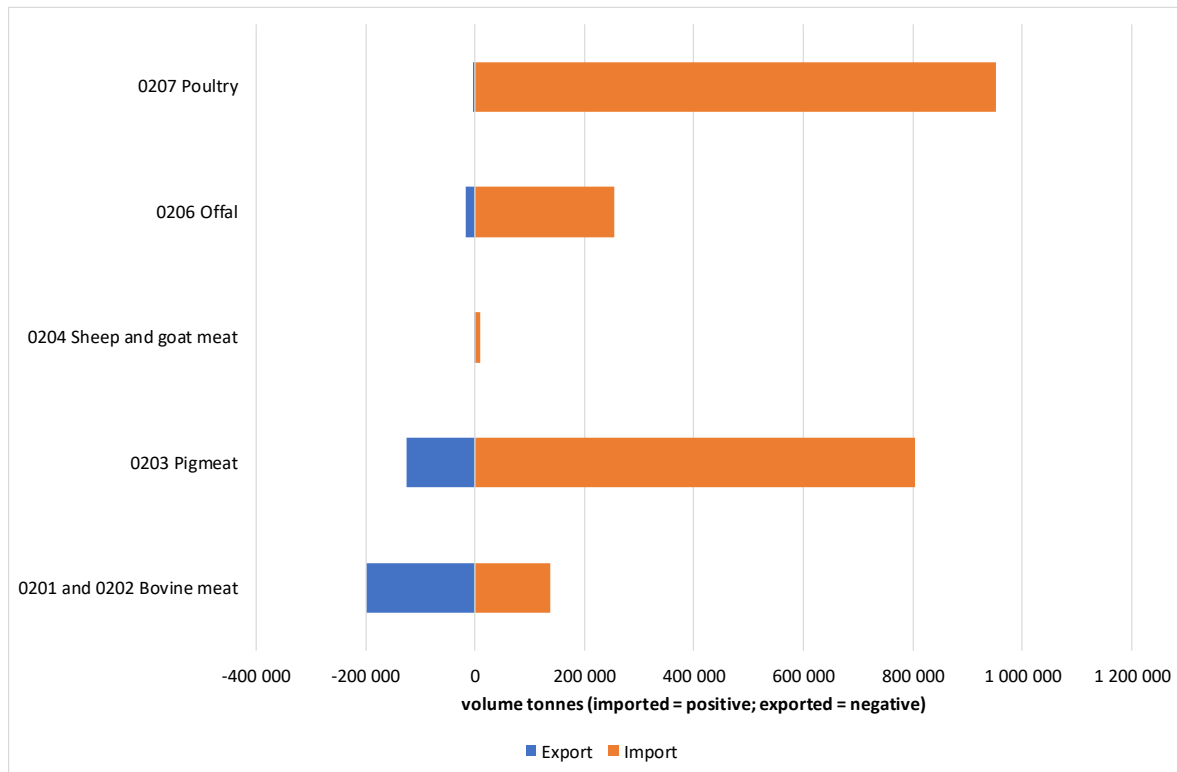
¹⁹⁹ Mexico, Poultry and Products Annual, A Robust Poultry Sector Continues in Mexico; USDA Gain Report;
https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual_Mexico%20City_Mexico_7-27-2018.pdf

Figure 5-52: Trade balance (imports and exports) of fresh meat in Mexico, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

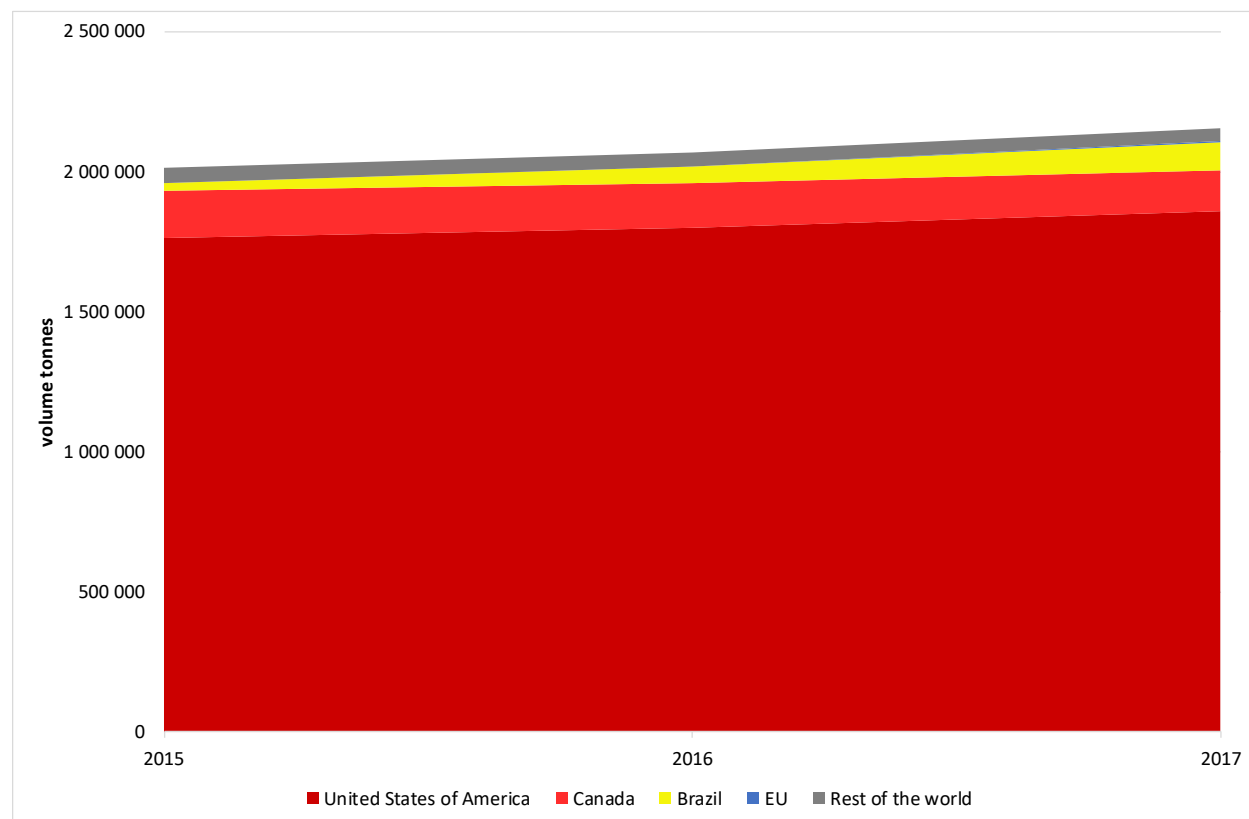
Figure 5-53: Trade balance (imports and exports) of fresh meat in Mexico, by type, 2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

Figure 5-54: Mexican imports of fresh meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

5.12.3.3 EU GI products

As identified in section 4.2.4 on protection EU GI products, under the new EU-Mexico Trade Agreement, 340 products are set to be protected on the market. The following fresh meat products have been included in the list:

- Volailles de Loué (France)
- Ternera Gallega (Spain)
- Scotch Beef (United Kingdom)
- Welsh lamb (United Kingdom)

5.12.3.4 Main competitors

Section 5.12.3.1 outlined that domestic production has been on the rise in all segments of fresh meat sector in Mexico. However, as identified in section 5.12.3.2, Mexico has been also relying in foreign fresh meat products, which in vast majority are imported from the US.

5.12.4 Specific market entry requirements

Market Access and Entry

Imported fresh meat products are subject of market entry requirements set out in the General Health Law and more specifically in Animal Health Law and Zoosanitary Requirements Module, as described in section 4.2.1.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing fresh meat products might require providing additional documentation concerning the Animal Health Law and Zoosanitary Requirements Module.

SPS measures

Importation of fresh meat products to Mexico require set of documents to be delivered, certifying products' safety and quality.

- Application Sheet for Zoosanitary Requirements
- Import Certificate for Live Animals and Animal Products
- Veterinary Health Certificate for Animal Products
- Certificate of Analysis
- Free Sale Certificate

Establishments must be authorised for export to Mexico, meaning that Mexican inspectors must visit and approve both the authorities of the Member State and the establishment itself (at the establishment's cost) prior to being able to export to Mexico. This provision is being amended under the updated FTA through a process known as pre-listing. Individual Member States will be able to apply for market access from the Mexican authorities, and if approved the Member State's system will be considered safe and establishments able to export without further inspection from Mexican authorities. ***It is important to note that pre-listing will only take effect after the entry into force of the updated agreement.***

Further requirements worth noting are:

- **Regionalisation for disease outbreaks:** the recognition of regionalisation is generally in effect as it was put in place as a precondition for negotiation of the FTA; though some problems with this do still remain.
- **Beef exports:** Mexico has committed to OIE guidelines regarding Bovine Spongiform Encephalopathy (BSE); as a consequence those Member States with no risk status can export beef to Mexico. Currently 3 countries face more stringent requirements, as they are recognised as having a controlled BSE risk²⁰⁰:
 - France

²⁰⁰ <http://www.oie.int/animal-health-in-the-world/official-disease-status/bse/list-of-bse-risk-status/>

- Greece
- Ireland

Up to date information on appropriate documents concerning SPS measures can be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>

Labelling

As described in section 4.2.3, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation. However, in case of fresh meat products, two specific laws apply:

- Norma Oficial Mexicana NOM-034-SSA1-1993²⁰¹
- Norma Oficial Mexicana NOM-102-SSA1-1994²⁰²

5.12.5 Distribution

As seen in Figure 5-55, fresh meat in Mexico is being distributed mainly through retail channel with no significant increases or decreases in shares in 2017. In the specific case of beef, it should be noted that food service outlets play a more important role in its distribution than for meat as a whole.

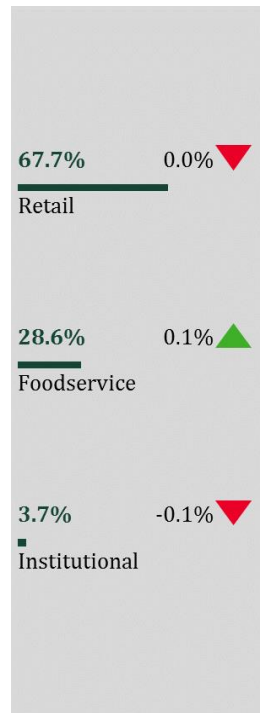
Among retail channels, modern grocery channels such as supermarkets and hypermarkets account for the majority of distribution. However, butchers and markets are still popular in some areas, the countryside in particular. Premium/gourmet retailers are increasingly important for the sale of fine cuts of meat.

There are generally well-developed cold chain services for the distribution of meat across the country. That said, there are some challenges relating to geographical coverage due to the immense size of the country and a either infrastructure and security issues in certain regions (e.g. Puebla, Guerrero).

²⁰¹ NORMA OFICIAL MEXICANA NOM-034-SSA1-1993, BIENES Y SERVICIOS. PRODUCTOS DE LA CARNE. CARNE MOLIDA Y CARNE MOLIDA MOLDEADA. ENVASADAS. ESPECIFICACIONES SANITARIAS; <http://www.salud.gob.mx/unidades/cdi/nom/034ssa13.html>

²⁰² NORMA Oficial Mexicana NOM-122-SSA1-1994, Bienes y servicios. Productos de la carne. Productos cárnicos curados y cocidos, y curados emulsionados y cocidos. Especificaciones sanitarias; <http://www.salud.gob.mx/unidades/cdi/nom/122ssa14.html>

Figure 5-55: Distribution channel overview of fresh meat in Mexico (2017); total volume



Source: Euromonitor International: Fresh Food, 2018

5.12.6 Challenges for EU products

Fresh meat products tend to be subject to thorough market entry controls, which are to certify quality and safety of imported products. In addition, Mexico has had long-established imports ties with the US, where the vast majority of imported fresh meat come from.

Market Takeaway: Fresh meat

Consumption: Consumption of fresh meat has been increasing and is expected to remain on upward trend over the next years.

Competition: Domestic production has been on the rise, however since 2015 Mexican imports considerably grew, especially from the US.

Distribution: Fresh meat is being distributed mainly off trade, with no significant changes recently.

Challenges: Established import ties, especially with the US, stringent control measures.

Opportunities: Increasing consumption of fresh meat as well as modernized EU-Mexico Trade agreement. Specific opportunities in more premium segments. Diversification of imports policy introduced by Mexican authorities.

5.13 Processed cereals

5.13.1 SWOT analysis

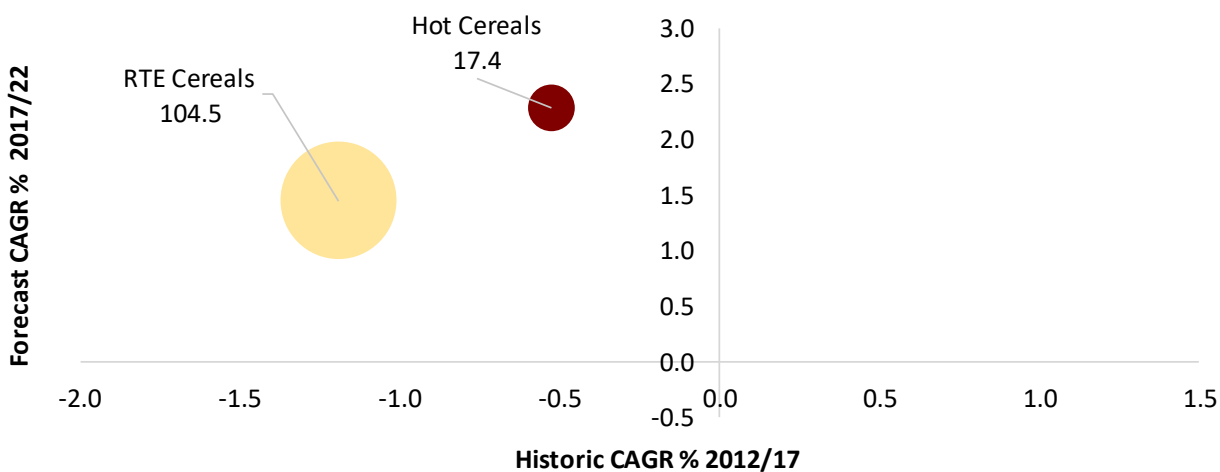


5.13.2 Consumption

5.13.2.1 Evolution of consumption

As presented in Figure 5-56, in years 2012-2017 the market for processed cereals in Mexico was on decline, however it is predicted to pick up over the forecast period. Ready-to-eat cereals (RTE) have been by far the largest segment in the market in terms of total volume, exceeding considerably the market size of hot cereals. Nevertheless, hot cereals are projected to record a higher growth in coming years (2.3% per year), whereas the market size of RTE cereals is expected to grow by 1.5% per year.

Figure 5-56: Evolution and forecast of processed cereals market in Mexico, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

5.13.2.2 Consumer profile and purchase criteria

Consumers



Breakfast cereals in Mexico are generally associated with products that are high in sugar and carbohydrates. Generally speaking, the typical Mexican breakfast does not include processed cereals, as it usually consists of different courses, such as *pan dulce* (sweet bread), *atole* (a thickened drink with corn masa, rice or oats). Other savoury versions include, eggs, tortilla, tomato sauce or *chilaquiles*²⁰³.

However, due convenience added value and rising health awareness, some consumers have started to choose certain types of processed cereals more often to adopt to busier lifestyles. Moreover, unlike regular breakfast cereals, perception of muesli and granola is rather positive²⁰⁴, effectively driving its rising consumption.

Drivers and method of consumption

Consumption of processed cereals in Mexico is mainly driven by convenience considerations, as consumers look for quicker breakfast options. In addition, as Mexican consumers have becoming more health-conscious, they have started to appreciate products such as muesli and granola. In terms of method of consumption, processed cereals in Mexico are usually consumed in a very similar way as in Europe, i.e. with milk or yoghurt, often with extra toppings such as fruit or nuts.

²⁰³ What's for breakfast in Mexico?; <https://www.tripsavvy.com/breakfasts-in-mexico-1588807>

²⁰⁴ Euromonitor International: Packaged Foods, 2018

Purchase criteria

Mexican consumers generally pay great attention to convenience added value of the product when it comes to purchasing processed cereals. Hence, they will look for portable versions of breakfast cereals and appreciate different sizes of packs as it is easier to store product and it may stay fresh for longer. In addition, given the increasing health awareness among some consumers, this group places the healthy benefits of processed cereals high.

5.13.2.3 Recent market trends

The latest trend on the market for processed cereals in Mexico combines rising health awareness of consumers with the development of more convenient packaging. Consumers have started to look for products with a health-added value, which effectively has positively impacted the consumption of muesli and granola. Moreover, given that consumers are looking for more convenient packages of processed cereals, many producers launched different sizes of packaging with resealable closures to ensure the freshness of the product.



5.13.3 Offer

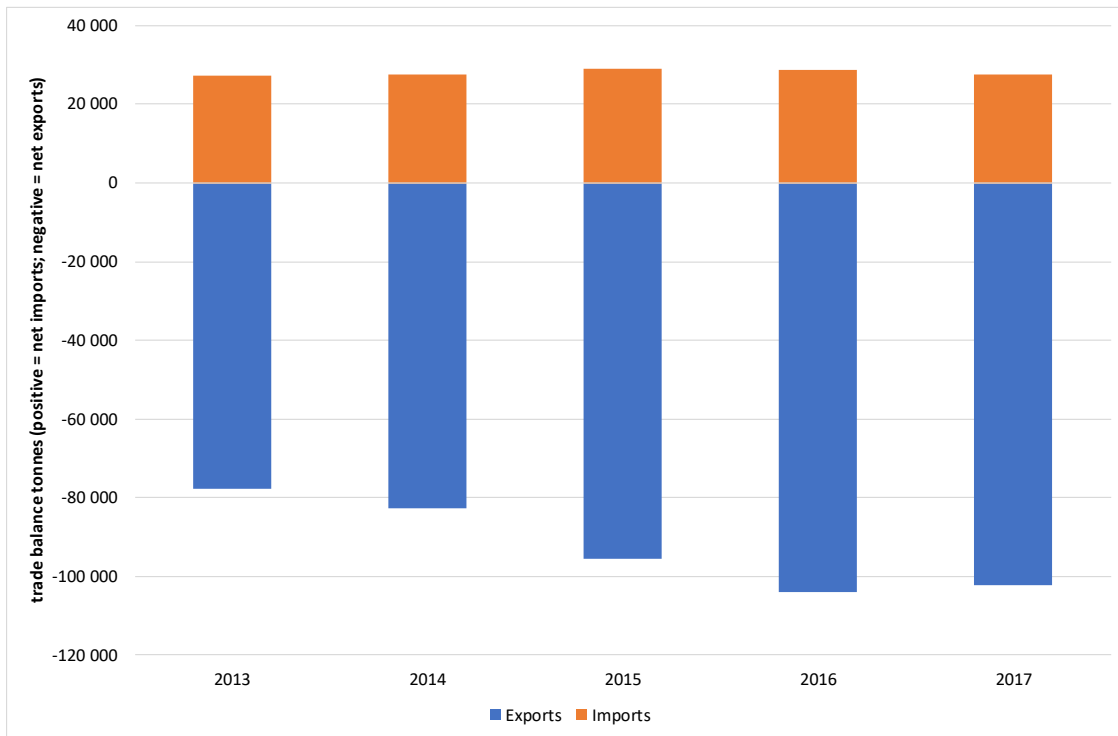
5.13.3.1 Domestic production

Processed cereals market in Mexico is characterized by the strong presence of domestic producers (often subsidiaries of multinationals), offering vast selection of products. Mexican companies have developed efficient distribution network, which gives a leverage to reach retailers located throughout the country. The largest domestic producer Kellogg de Mexico leads the market for breakfast cereals in Mexico, offering very popular brands, such as Special K, Zucaritas (Frosties) or Choco Krispies among many others.

5.13.3.2 Imports and exports

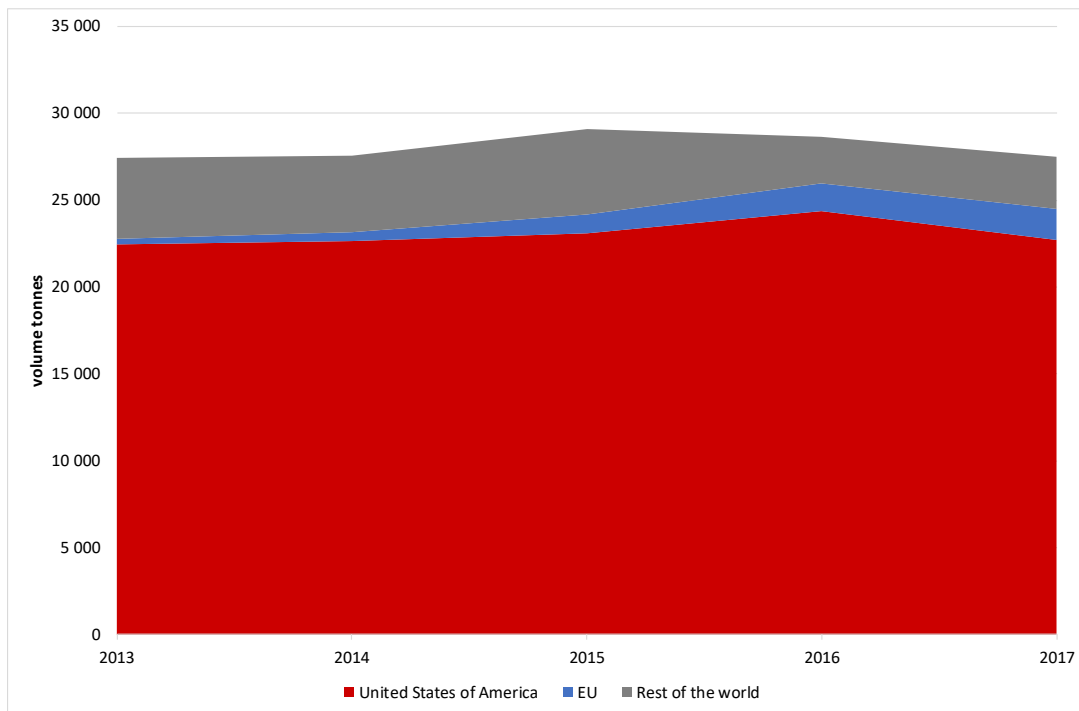
As presented in Figure 5-57, export volumes have outweighed imports of processed cereals in Mexico in recent years. After period of steady growth, exports noted a slight drop in 2017; similar to import volumes which also minimally decreased in 2017. Imported processed cereals come in vast majority from the US (Figure 5-58) and their value per unit, interestingly enough, plummeted in 2014 to ultimately pick up in 2016, reaching slightly above EUR 3 000 per tonne. The value per unit of other imported products, Italian, Polish and products imported from different countries, oscillated around EUR 2 000 per tonne (Figure 5-59).

Figure 5-57: Trade balance (imports and exports) of processed cereals in Mexico, 2013-17; tonnes



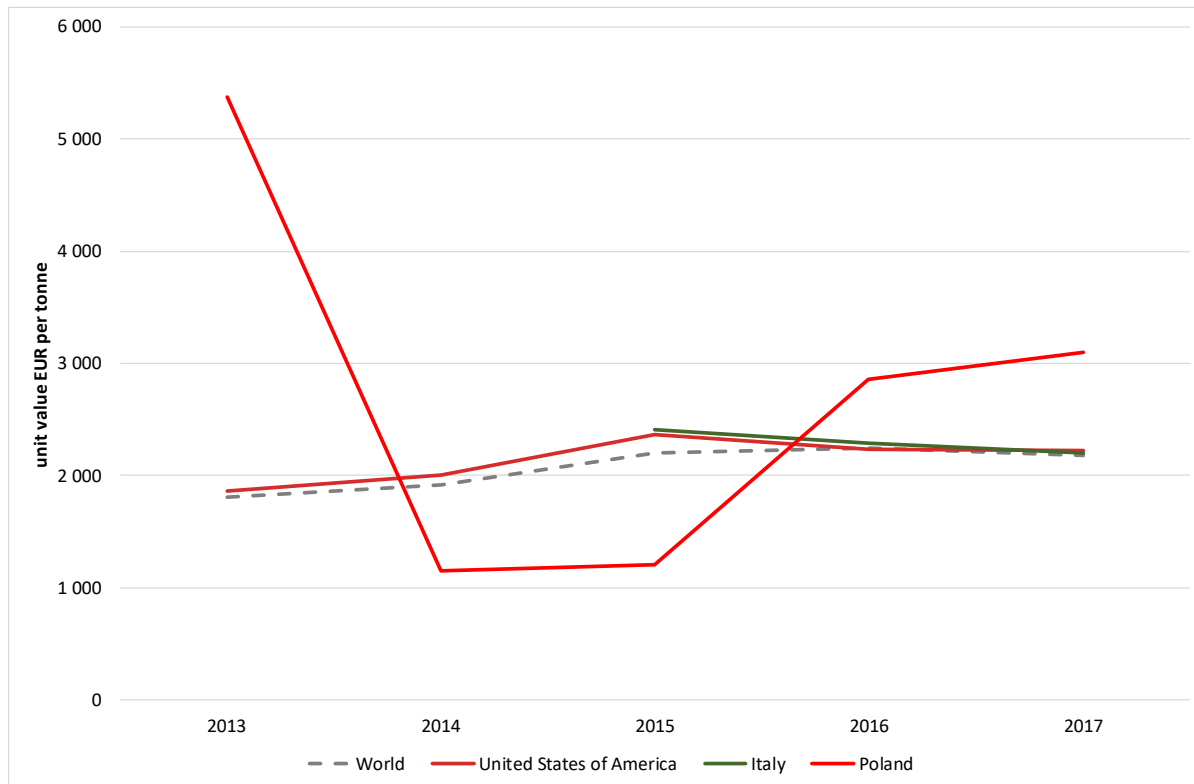
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1904

Figure 5-58: Mexican imports of processed cereals by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1904

Figure 5-59: Per unit value of Mexican imports of processed cereals for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1904

5.13.3.3 EU GI products

As identified in section 4.2.4 on protection EU GI products, under the new EU-Mexico Trade Agreement, 340 products are set to be protected on the market. The list does not include any cereal products.

5.13.3.4 Main competitors

As identified in section 5.13.3.1, the market for processed cereals in Mexico is led by domestic producers, with Kellogg de Mexico (the local operation of the American company) at the forefront. Moreover, US producers are major importers of processed cereals to Mexico and are followed by Italian and Polish manufacturers, however in much lower volume.

5.13.4 Specific market entry requirements

Market Access and Entry

There are no specific requirements for Imported processed cereals, apart from general market entry requirements set out in the General Health Law as described in section 4.2.1.

Customs procedures

A list of standard documents necessary for the export of processed cereals to Mexico as well as the overview of the procedure is presented in section 4.2.1.

SPS measures

There are no specific SPS measures applying in case of exportation of processed cereals to Mexico. Any other information related to this product can be consulted on the website below.

Up to date information on appropriate documents concerning SPS measures

<http://madb.europa.eu/madb/datasetPreview/fpubli.htm?hscod=1904&countries=MX>

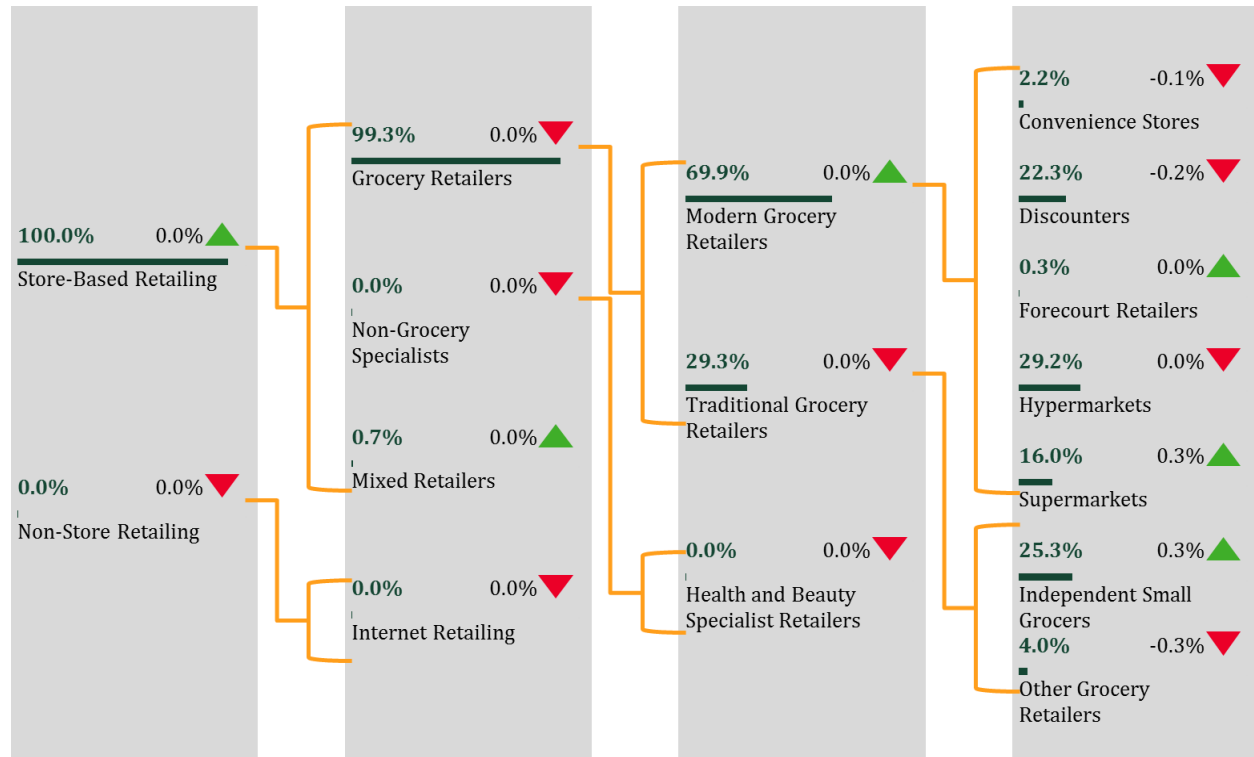
Labelling

As described in section 4.2.3, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

5.13.5 Distribution

Processed cereals in Mexico are exclusively distributed through store-based retailers and include both modern and traditional grocery retailers (Figure 5-31); however, market shares of the latter are much smaller in terms of retail value. Within modern retailers, consumers purchase processed cereals the most often in hypermarkets, followed by discounters and supermarkets, whereas traditional retailers mainly relate to small independent grocers.

Figure 5-60: Distribution channel overview of processed cereals in Mexico (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.13.6 Challenges for EU products

The greatest challenge EU producers might face is high competition due to strong presence of domestic manufacturers on the market. Mexican companies dominate the market due to well-established distribution network as well as due to certain consumers loyalty, as several brands of processed cereals have been very popular among consumers.

Market Takeaway: Processed cereals

Consumption: Consumption of processed cereals in Mexico after a period of decline is projected to pick up over the next years.

Competition: Market led by domestic companies, offering wide selection of processed cereals products, with developed distribution network. Foreign products in majority are imported from USA.

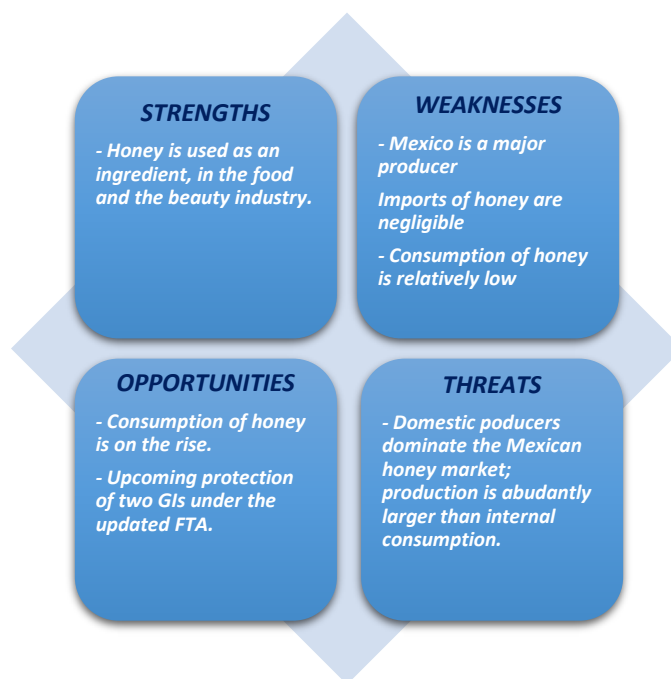
Distribution: Processed cereals are distributed through variety of store-based retailers, with the focus on modern retailers, such as hypermarkets, discounters and supermarkets.

Challenges: Dominance of Mexican companies on the market, developed consumer loyalty towards certain brands.

Opportunities: Projected increase of consumption in next years. Rising health awareness, boosting the consumption of products such as muesli and granola.

5.14 Honey

5.14.1 SWOT analysis

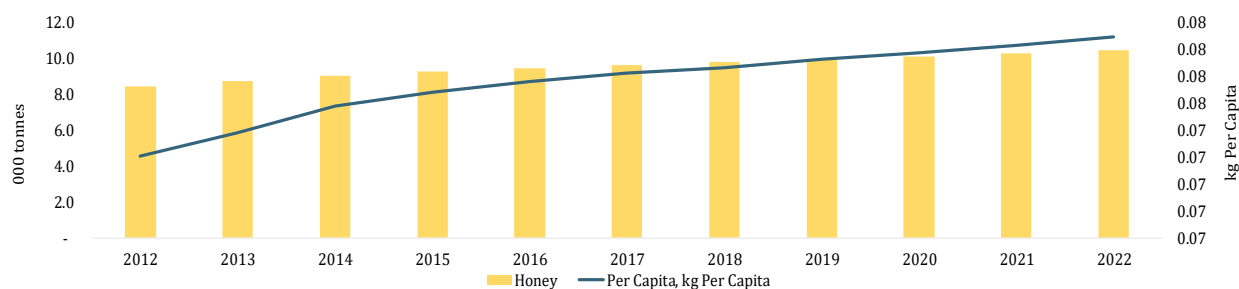


5.14.2 Consumption

5.14.2.1 Evolution of consumption

Despite the wide domestic production, consumption of honey is relatively low in Mexico. Nonetheless, as outlined in Figure 5-61, consumption levels have been slowly growing since 2012 and are projected to further rise in the coming years. Total consumption, which grew from 8 400 litres in 2012 to 9 700 litres in 2017, is set to achieve 10 500 litres in 2022. Per capita consumption, on the contrary, is set to remain stable at approximately 0.1 kg over the next few years.

Figure 5-61: Evolution and forecast of market for honey (000 tonnes) and honey consumption per capita (kg) in Mexico, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts

5.14.2.2 Consumer profile and purchase criteria



Although Mexico is among the largest producers of honey in the world, Mexicans are not used to consume this product frequently.

Honey is mostly used as an ingredient in pastries, desserts, bread, yoghurt, and beverages. Furthermore, the product is sometimes involved in the production of cosmetic and beauty products, such as shampoo²⁰⁵.

Nonetheless, an increasing number of Mexicans has started to purchase honey as a healthier alternative to sugar, although this is not the case of price-sensitive consumers, as other sweeteners are more affordable²⁰⁶. Honey is also increasingly seen as a healthy ingredient that can have a positive impact on the immune system.

5.14.2.3 Recent market trends

Consumption of honey, although very low, recorded a 2.7% annual growth between 2012 and 2017. Furthermore, in the coming years, yearly consumption is set to slow down, growing at 1.6%, mostly due to the high prices at which this product is offered. Consumption is expected to reach 10.5 thousand litres in 2022, driven by health-conscious consumers.

5.14.3 Offer

5.14.3.1 Domestic production

With over 50 000 tonnes produced annually according to estimations, Mexico ranks as the sixth largest honey manufacturer worldwide. Most of this honey is nonetheless exported in the European Union and United States, as it is too pricey for the domestic market²⁰⁷. Honey is produced almost everywhere in the Latin American country. Nonetheless, as outlined in Table 5-4, in 2017, eight states account for 65% of the total Mexican honey production, namely Jalisco (11%), Chiapas (10%), Veracruz and Yucatan (9% each), Oaxaca (8%), Campeche (7%), Quintana Roo (6%), Puebla (5%). However, production of higher-quality honey is concentrated in Yucatan and Campeche, whose final products are the most recognised in the world²⁰⁸.

Table 5-4: Domestic production of honey by states, 2017

State	Number of hives	Production (tonnes)	% of total Mexican production
Jalisco	120 128	5 815	11%
Chiapas	161 822	5 324	10%

²⁰⁵ La miel en México y el mundo, <https://www.gob.mx/sagarpa/articulos/la-miel-en-mexico-y-el-mundo?idiom=es>

²⁰⁶ Euromonitor International: Packaged Food, 2018

²⁰⁷ México, uno de los mayores productores de miel a nivel mundial, <http://www.elfinanciero.com.mx/economia/mexico-uno-de-los-mayores-productores-de-miel-a-nivel-mundial>

²⁰⁸ La miel en México y el mundo, <https://www.gob.mx/sagarpa/articulos/la-miel-en-mexico-y-el-mundo?idiom=es>

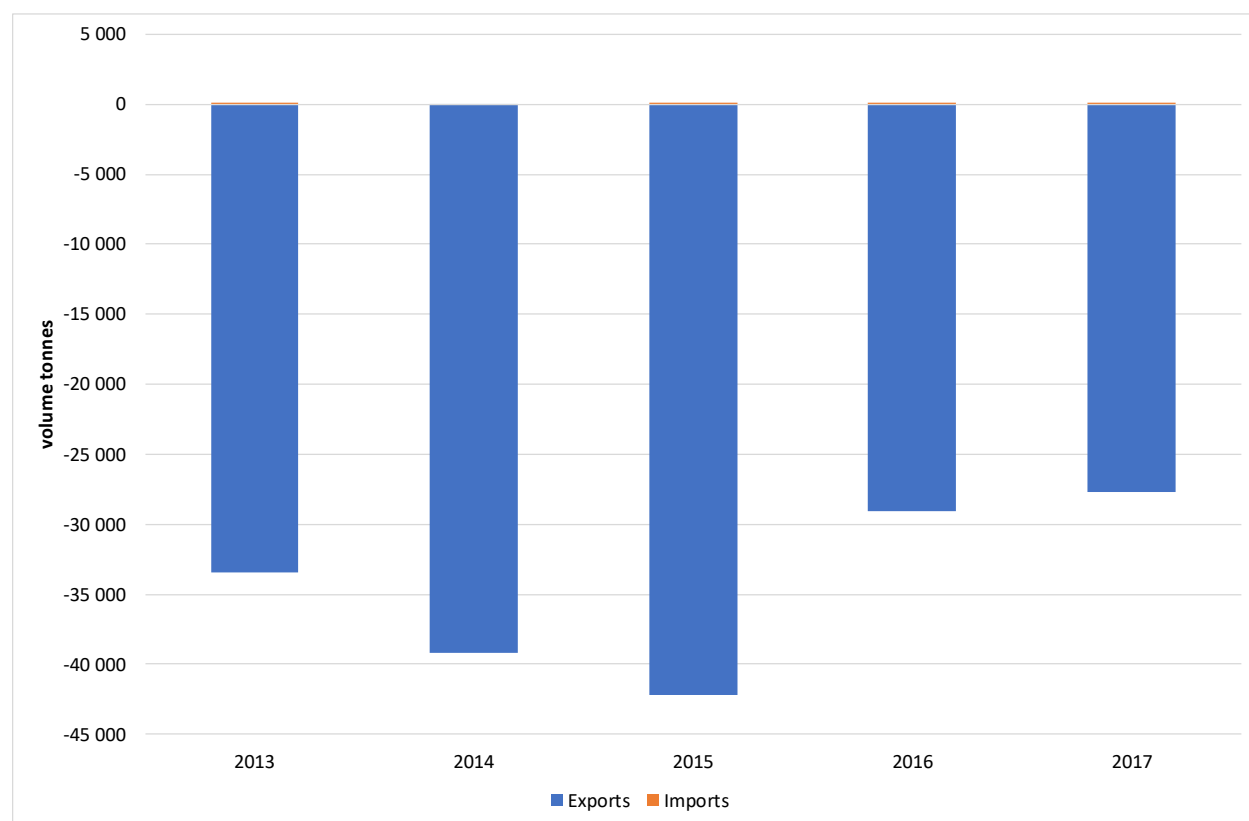
State	Number of hives	Production (tonnes)	% of total Mexican production
Veracruz	138 009	4 704	9%
Yucatan	250 073	4 351	9%
Oaxaca	116 860	4 078	8%
Campeche	205 377	3 767	7%
Quintana Roo	120 188	3 044	6%
Puebla	91 951	2 435	5%
Other states	654 942	17 479	35%
<i>Total</i>	<i>1 859 350</i>	<i>50 995</i>	<i>100%</i>

Source: Sagarpa, <https://datos.gob.mx/busca/dataset/produccion-de-miel-2017>

5.14.3.2 Imports and exports

Due to the large domestic production (see section 5.14.3.1), imports of honey into Mexico are negligible compared to exports. Although exports have fallen since 2015, Mexican exports continue to enormously exceed imports. The Latin American country exported nearly 30 000 tonnes of honey in 2017, while importing just three tonnes from the United States and one tonne from France (Figure 5-62). Exports in recent years have fluctuated between 27 000 and 42 000 tonnes.

Figure 5-62: Trade balance (imports and exports) of honey in Mexico, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0409

5.14.3.3 EU GI products

As reported in section 4.2.4, under the modernised EU-Mexico Trade Agreement, several products are set to be recognised as Geographical Indications in Mexico, including two honey products, which are Portuguese *Mel dos Açores* and Slovenian *Slovenski med*.

5.14.3.4 Main competitors

As set out in section 5.14.3.2, imports of honey are negligible. European exporters hence face the mere competition of very strong domestic honey producers, whose volumes are enough to satisfy the low internal demand several times over (see section 5.14.3.1). In terms of company shares, McCormick & Co and Savien Frusweet SA held the largest market shares in 2017, namely 19.6% and 14.9% respectively²⁰⁹.

5.14.4 Specific market entry requirements

As described in section 4.2.1, honey producers should register to the Mexican Register of Importers. Furthermore, products must comply with the Federal Law of Metrology and Normalisation, the NOM-120-SSA1-1994, as well as the General Health Law (see section 4.2.2).

European products are currently advantaged in terms of market access, as their products do not face any import duty.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=0409>

Customs procedures

A list of standard documents required for import honey into Mexico is presented in section 4.2.1. Furthermore, further documents are requested for custom clearance of natural honey, as set out below:

- Application Sheet for Zoosanitary Requirements;
- Import Certificate for Live Animals and Animal Products;
- Veterinary Health Certificate for Animal Products;
- Certificate of Analysis;
- Free Sale Certificate.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=0409>

²⁰⁹ Euromonitor International: Packaged Food, 2018

SPS measures

All sanitary and Phytosanitary measures concerning the import of honey into Mexico are in line with international standards.

Up to date information on appropriate documents concerning SPS measures:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=MX&hscod=0409>

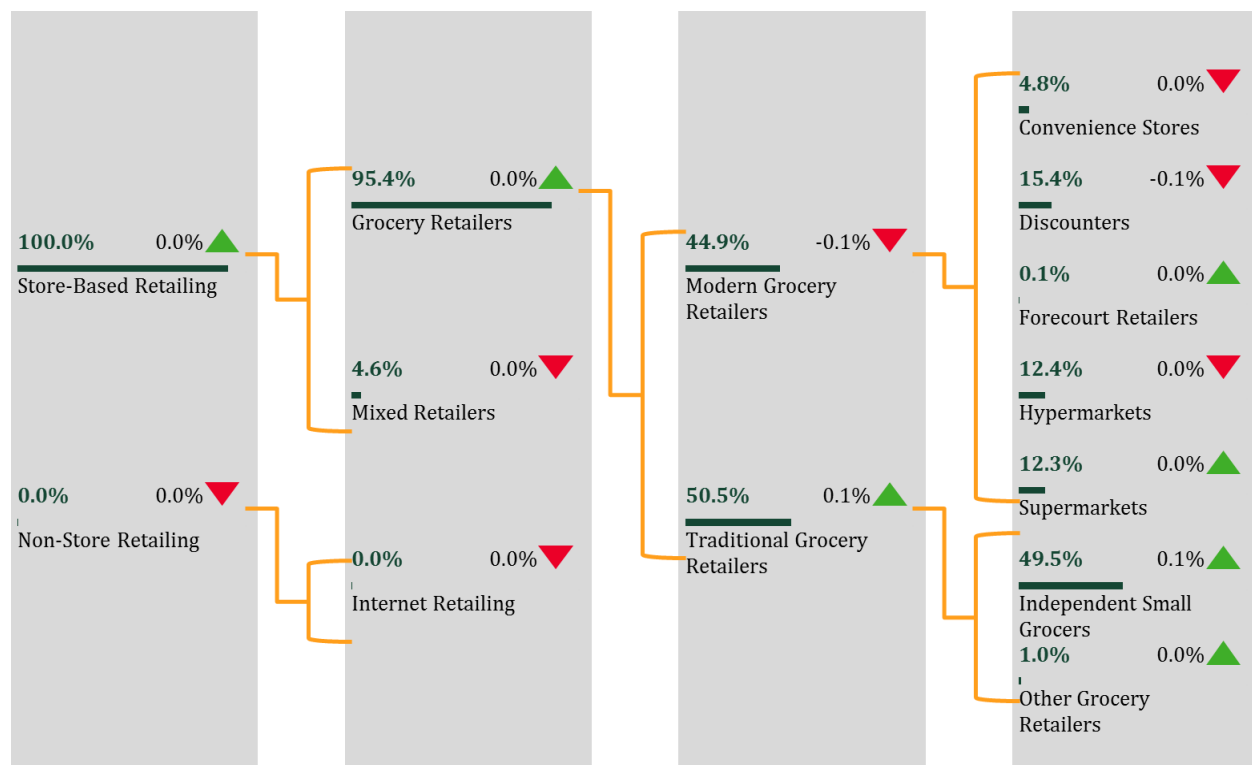
Labelling

As described in more detail in section 4.2.3, imported honey must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051- SCFI/SSA1-2010.

5.14.5 Distribution

As outlined in Figure 5-63, in Mexico distribution of spreads, including honey, entirely relies on store-based retailing, specifically grocery retailers (95.4%). Of these, in 2017 over half were traditional grocery retailers, especially independent small grocers, while 44.9% were modern grocery retailers, mostly discounters (15.4%), hypermarkets (12.4%), and supermarkets (12.3%).

Figure 5-63: Distribution channels overview of spreads (including honey) in Mexico (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.14.6 Challenges for EU products

Domestic consumption of honey is relatively low. Furthermore, European companies face the strong dominance of Mexican producers, which are present in almost the entire Mexican territory and whose production allows to entirely satisfy the internal demand for honey as well as export large volumes.

Market Takeaway: Honey

Consumption: Consumption of honey is on the rise, although relatively low, compared to the internal domestic production.

Competition: Mexico is a large producer of honey, and the market is dominated by domestic producers.

Distribution: The main channels are independent small grocers, as well as modern grocery retailers (discounters, hypermarkets, and supermarkets).

Challenges: Internal demand fully satisfied by domestic production; imports of honey are indeed negligible.

Opportunities: protection of two GIs under the updated FTA may provide some opportunities, though against the background of the substantial challenges set out above.

5.15 Live plants

5.15.1 SWOT analysis

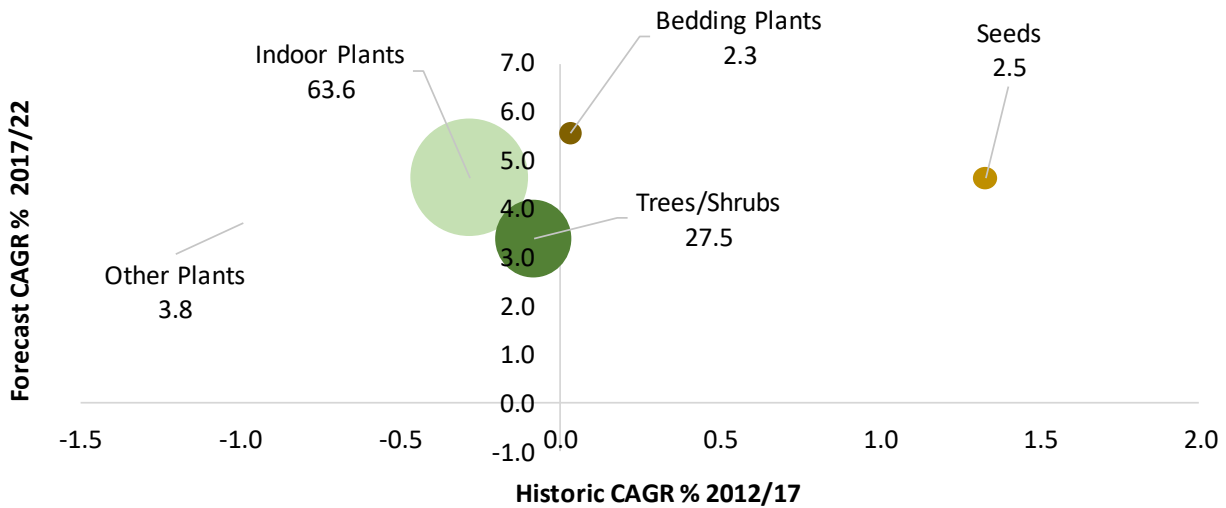


5.15.2 Consumption

5.15.2.1 Evolution of consumption

The market for live plants in Mexico is predicted to pick up over the forecast period, after a period of decline in years 2012 and 2017 (Figure 5-64). All categories within the market are expected to note a positive CAGR going forward of between 3.4% and 5.6% per year. The biggest segment in terms of market size (retail value) – indoor plants – noted a negative CAGR of 0.3% between 2012 and 2017. Similarly, the second biggest trees/shrubs showed a slight decrease in its market size over the same period.

Figure 5-64: Evolution and forecast of live plants market (EUR million) in Mexico, retail value 2012-2022



Source: Euromonitor International: Home and Garden, 2018

5.15.2.2 Consumer profile and purchase criteria

Consumers



Mexico is known for biodiversity, hence the variety of different plants and trees is considerable. Mexican citizens are accustomed to both the scrub bushes of the desert-filled northern states and to the exotic plants of humid south²¹⁰. The most well-known plant is indubitably the iconic cactus, which has been associated with Mexico since long time. Consumers in Mexico tend to live in places without any notable garden space, especially in urban locations, thus they

consider accommodating live plants in their homes, especially on balconies²¹¹. That said, the greatest number of live plants can be found in office complexes, commercial spaces and other public venues.

Drivers and method of consumption

Consumption of live plants in Mexico is driven, *inter alia*, by an increasing number of vertical residences which effectively bring less garden space. Consumers tend to accommodate plants in their households, notably in their balconies, however the greatest use of live plants has been recorded in commercial and public spaces.

²¹⁰ Mexico's Incredible Trees, Plants and Flowers and Where to Find Them; <https://theculturetrip.com/north-america/mexico/articles/mexicos-incredible-trees-plants-and-flowers-and-where-to-find-them/>

²¹¹ Euromonitor International: Home and Garden, 2018

Purchase criteria

Mexican consumers mainly choose live plants based on products' usability as well as durability, given that majority of products are located in public spaces. However, the criteria are similar in case of household plants, where the most popular plants are those that are easy to take care of.

5.15.2.3 Recent market trends

As previously mentioned, the latest trend among consumers in Mexico relates to populating public spaces with live plants. Moreover, consumers have appreciated purchasing live plants for their households, especially the ones able to fit into their balconies. Generally speaking, live plants have been perceived as an embellishment of the surroundings.

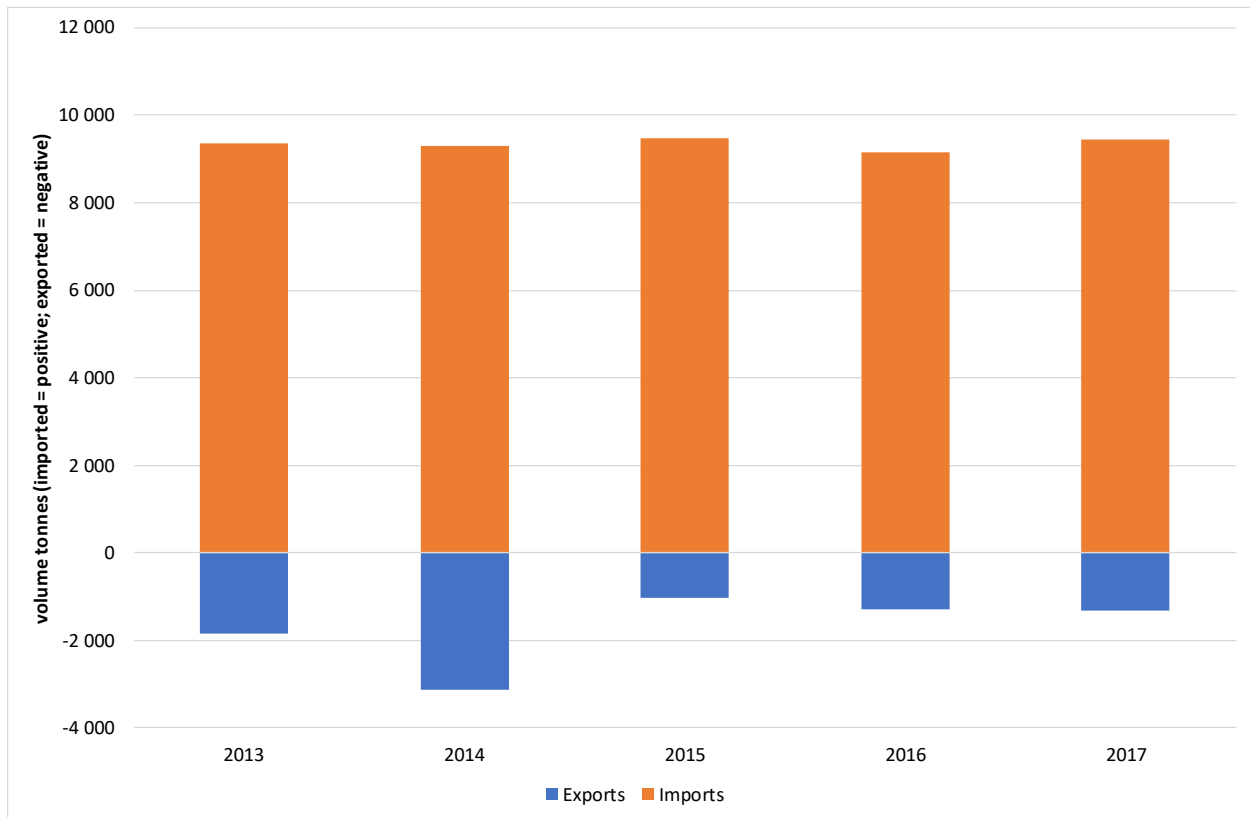
**5.15.2.4 Domestic production**

Due to climate diversity, there are many varieties of live plants available in Mexico that are produced in the country. The most famous one are Cactus, Poinsettias, Orchids and sunflowers among many others. Leading companies in the area include Truper Herramientas, Rancho Los Molinos and Floraplant. The products of these companies can be typically found in home improvement and gardening stores.

5.15.2.5 Imports and exports

Although there is a diversity of live plants in Mexico, imports of live plants considerably exceed export volumes (Figure 5-65). Import volume have remained relatively stable throughout recent years, whereas exports noted a significant drop in 2015.

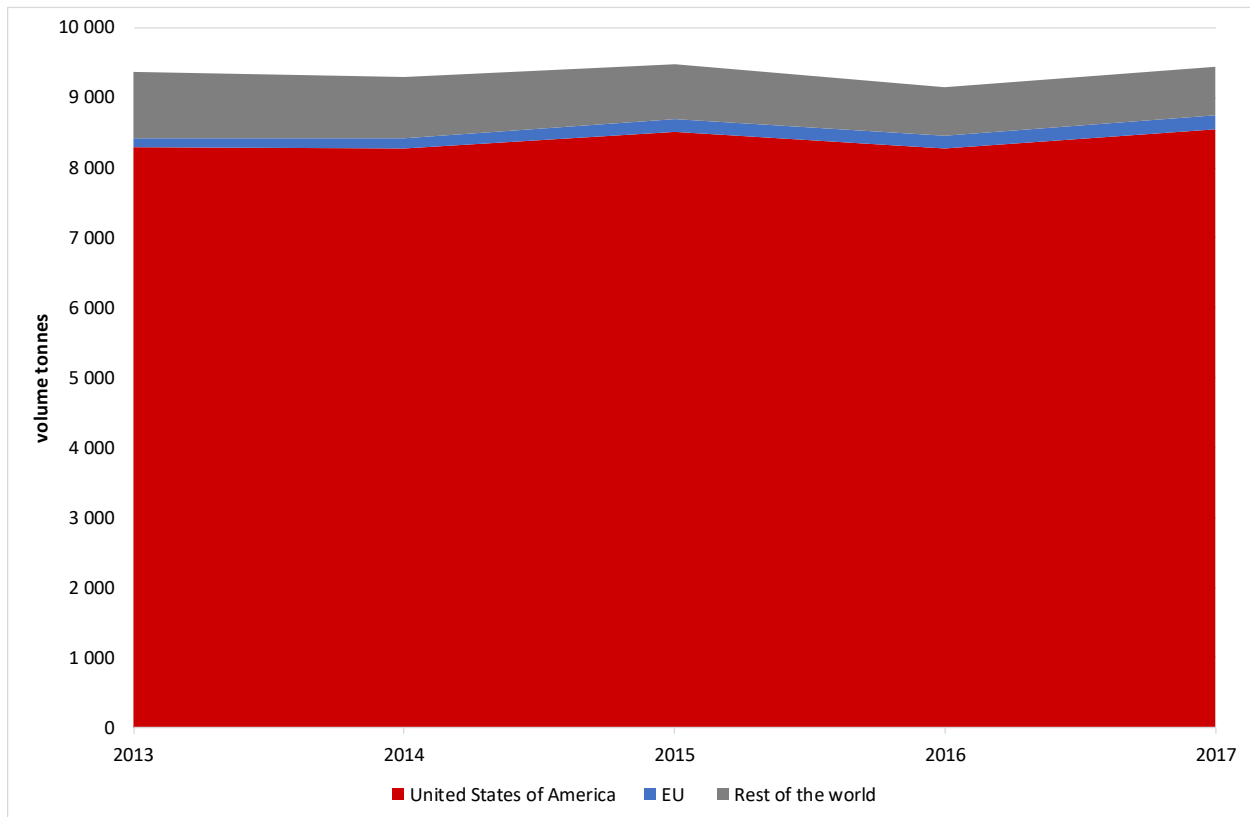
Figure 5-65: Trade balance (imports and exports) of live plants in Mexico, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0602

As presented in Figure 5-66, the United States has been almost the sole exporter of live plants to Mexico. The exported volume (in tonnes) has been stable in the last 5 years.

Figure 5-66: Mexican imports of live plants by country, 2012-16; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0602

5.15.2.6 EU GI products

As identified in section 4.2.4 on protection EU GI products, under the new EU-Mexico Trade Agreement, 340 products are set to be protected on the market, though no plants are present on this list.

5.15.2.7 Main competitors

As outlined in previous sections, the market is characterized by presence of domestic producers, specialized in Mexican known plants as well as foreign importers, mainly from the USA. Nonetheless, it should be pointed out that imports volume significantly outweigh exported volumes of live plants.

5.15.3 Specific market entry requirements

Market Access and Entry

Imported live plants are subject of market entry requirements set out in the General Health Law as described in section 4.2.1. In addition to essential market entry documentation, live plants are subject of phytosanitary certification and requirements.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing live plants might require providing additional documentation concerning the phytosanitary aspects.

SPS measures

Import of live plants to Mexico require set of documents to be delivered, certifying products' safety and quality:

- Application Sheet for Phytosanitary Requirements
- Import Certificate for Plants and Plant Products
- Phytosanitary Certificate (*Certificado Fitosanitario*)

Please be advised that in case of re-exportation on the basis of Phytosanitary Certificate, an additional document applies – Phytosanitary Re-Export Certificate²¹², as well as documentation related to Plant Breeder's Rights²¹³ and Importers of Seeds²¹⁴.

Up to date information on appropriate documents concerning SPS measures can be consulted on European Commission website: <http://madb.europa.eu/madb/indexPubli.htm>

Labelling

As described in section 4.2.3, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

5.15.4 Distribution

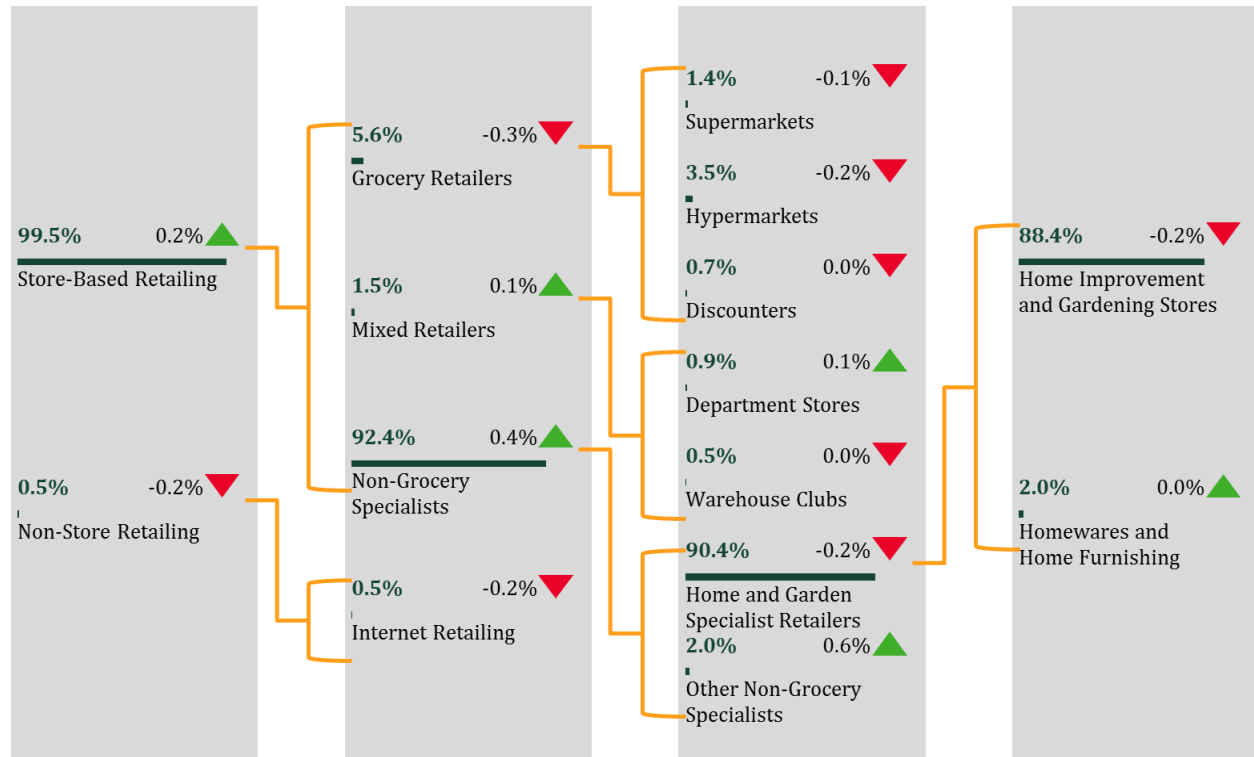
Vast majority of consumers in Mexico purchase live plants in store-based retailers, especially in-home improvement and gardening stores, where almost 90% of products were purchased in 2017 (in terms of retail value). Hypermarkets, on the other hand, constituted only 3.5% in terms of retail value.

²¹² http://madb.europa.eu/madb/viewPageIFPubli.htm?countryid=MX&hscod=0810&doc=cf_phy_re.html

²¹³ http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=prot_pla&hscod=0602&countryid=MX

²¹⁴ http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=reg_i_see&hscod=0602&countryid=MX

Figure 5-67: Distribution channel overview of live plants in Mexico (2017); retail value



Source: Euromonitor International: Home and Garden, 2018

5.15.5 Challenges for EU products

The biggest challenge EU producers should take into consideration is the fact that the market for live plants in Mexico is rather small, with imports not exceeding 10 000 tonnes annually. In addition, as market is import-dependent, Mexico developed well-established business relations with importers from the US.

Market Takeaway: Live plants

Consumption: Consumption of all live plants, excluding seeds, have been on decline in recent years, however it is forecast to pick up across all categories in next years.

Competition: Market dominated by domestic producers and imported products from the US.

Distribution: Live plants mainly distributed through store-based retailing, i.e. almost exclusively through home improvement and gardening stores.

Challenges: Relatively small market, strong business ties with foreign importers, especially from the US

Opportunities: Projected upward trend in consumption of live plants.

6 Communication

6.1 Communication strategy

This section sets out the main communication channels (new and traditional medias, as well as fairs) available, as well as key regulations for the advertisement of food and beverages.

6.1.1 Online & Digital Medias

Despite the poorly developed internet infrastructure and high smartphone costs, Mexico is the second-largest Internet advertising market in Latin America, and companies are increasingly spending on internet advertising. Internet users account for 63% of the population. Among these users, social media such as Facebook, Youtube, Twitter, and Instagram are rapidly growing in importance^{215 216} (see infographic below). Currently, Mexicans spend over 3 hours per day on social media on average, mostly to exchange messages and watch videos.

Social media platforms provide several opportunities for brand marketing in the Mexican market. However, in order to plan and implement a successful advertising strategy through social media, it is essential to understand the different platforms and how they are used by target customers. Digital advertising agencies (see box below) may provide companies with support to develop a successful digital marketing strategy.

Mexican Main Digital Advertising Agencies:

Brandme, www.brandme.la

Creativos RD, www.creativosrd.com

ktc, www.ktcagency.com

TEDA, www.teda.com.mx

Riot Marketing Group, www.riot.mx

Atomo Interactive, www.atomointeractive.com

MAKKEN, www.makken.com.mx

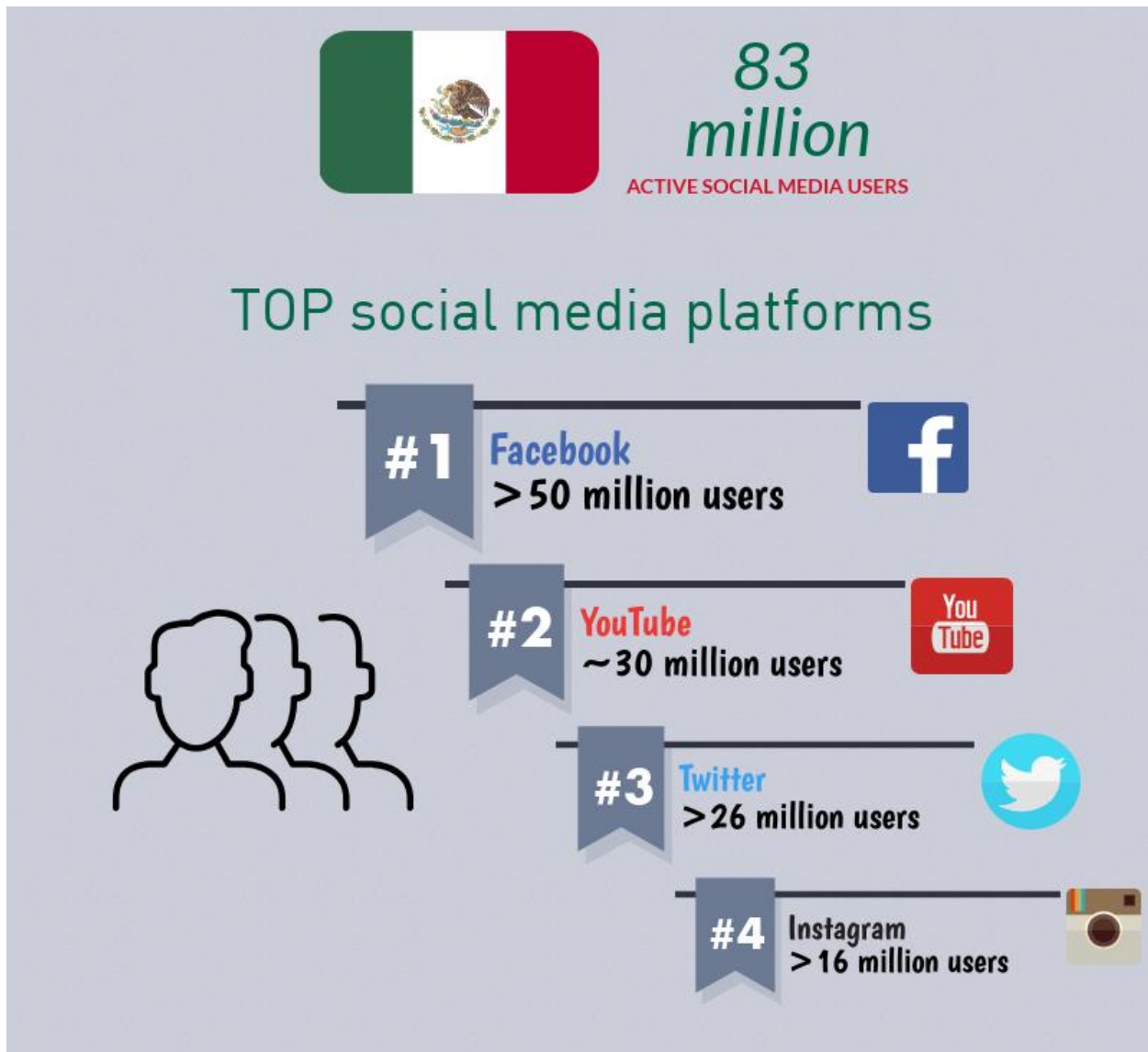
Ganem Group, www.ganem.mx

Octopus, www.octopus.mx

Internet advertising has proved successful for several companies, in terms of enhancing brand awareness and online brand presence, as well as penetrating a specific target market. The way online and social media can be used in Mexico for marketing purposes is further analysed in the sections below.

²¹⁵ Euromonitor International: Consumer Lifestyles, 2018

²¹⁶ PWC Report: Mexico - Internet advertising and access will spearhead spending growth, <https://www.pwc.com/gx/en/global-entertainment-media-outlook/segment-insights/assets/mexico-summary.pdf>



Source: Agra CEAS / Designed with Piktochart

6.1.1.1 Social media platforms

Social media marketing is growing in importance in the Mexican food and beverage (F&B) sector, given that:

- Approximately 83 million of people actively use social media of some description;
- On average, people spend more than 3 hours a day on social media;
- Social media is driving the food purchases of 1 in 10 Mexican consumers;
- Social media users interact with around one third of F&B advertisements they see online;

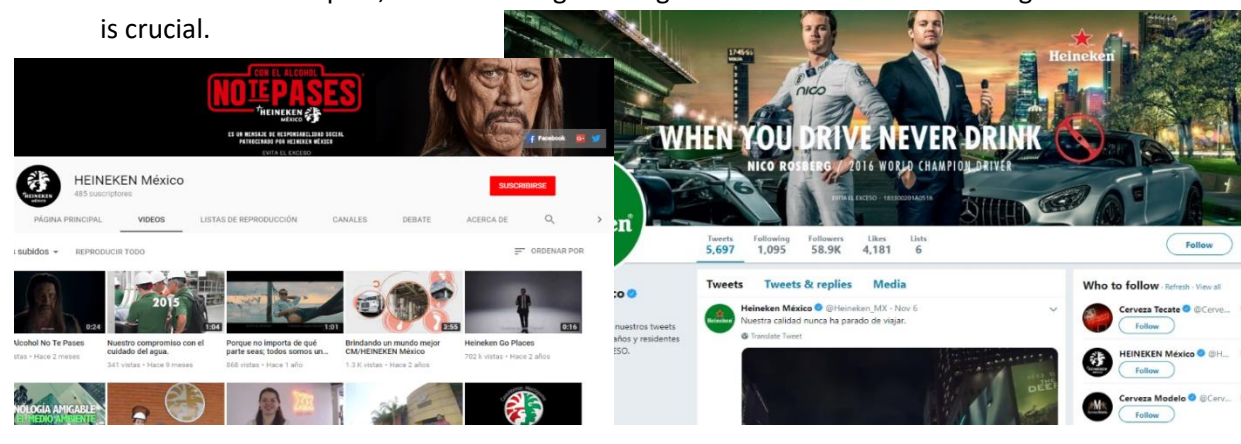
- 30% consumers are influenced by celebrity endorsements when purchasing ²¹⁷218.

Facebook, YouTube, Twitter and Instagram

With over 50 million users in 2017, Mexico is one of Facebook's top ten markets worldwide by number of active users. This social network is broadly used by people of all age groups, particularly those aged 18 to 34. YouTube, with around 30 million users comes next. Video-sharing platforms are very popular in Mexico, especially among teens (13 to 18 years old), who prefer to watch video contents even if they contain advertisements. Twitter, which is highly used by people (particularly women) aged 18 to 24 years old, is the third most popular social network in Mexico, with over 26 million active users. With 16 million users, Instagram is in the fourth position. This application is highly used by people aged 18 to 24, who account for almost half their users in Mexico. Furthermore, approximately 60% of its users are female, which makes it Mexican women's favourite social network^{219 220 221 222}.

Tips to advertise products on social networks and video platforms

- Custom account/page: An obvious way to enhance brand awareness on social networks is to create an account/page specifically for Mexico, and post content in Spanish. Images below illustrate Heineken's social media accounts specifically tailored to the Mexican market. Instagram is particularly useful to highlight the visual identity of the brand, while Facebook and Twitter accounts enable interaction with the consumers including keeping them up to date with companies' news. A successful post on these social networks can increase traffic to the company's website. In this respect, understanding the target consumers and what best gain their attention is crucial.



²¹⁷ Euromonitor International: Consumer Lifestyles, 2018

²¹⁸ We Are Social report: Digital in 2018 in Mexico, <https://www.slideshare.net/wearesocial/digital-in-2018-in-mexico-86862825>

²¹⁹ Instagram user demographics in Mexico – February 2017, <https://napoleoncat.com/blog/en/instagram-user-demographics-in-mexico/>

²²⁰ Euromonitor International: Consumer Lifestyles, 2018

²²¹ We Are Social report: Digital in 2018 in Mexico, <https://www.slideshare.net/wearesocial/digital-in-2018-in-mexico-86862825>

²²² Youtube Sube en las Preferencias de Internautas Mexicanos, Facebook se Mantiene, <https://expansion.mx/tecnologia/2018/05/17/youtube-sube-en-las-preferencias-de-internautas-mexicanos-facebook-se-mantiene>

- **Paid advertising:** Facebook, Twitter, and Instagram allow to start a paid campaign, which can be personalised according to the final goal (e.g. attract new followers, send traffic to the website), the audience, and the budget. The audience can be selected on the basis of several criteria e.g. location, gender, interests etc.
- **Influencers:** working with an influencer is key to enhancing brand awareness and penetrating a specific target audience. Through native speaking celebrities the brand can indeed connect more personally with target users. Furthermore, influencers' advertising ensures more exposure through spreading the brand among their followers. Influencers can be remunerated with a fee, or (mostly micro-influencers) with an exclusive experience (e.g. a discount), and/or recognition (e.g. share their posts on the company's social media accounts).

6.1.1.2 Food blogs

Another successful strategy to promote a product in Mexico is to work with food bloggers to write a promotional post on their blog. The tips indicated in section 6.1.1.1 are valuable also with regards to food blogs. Popular food bloggers are also influencers who often cross over between written blogs and social media platforms; therefore, working with them often means the opportunity to expose the brands on several platforms.

6.1.2 Traditional Media

Penetration of traditional media in Mexico and their potential for marketing purposes are set out below:

- **Television:** As on average consumers watch free-to-air TV 5.8 hours per week and pay TV for 10.2 hours per week, television remains a leading media for marketing purposes in Mexico. Despite the growing penetration of digital channels, television advertisement has indeed a strong influence, especially on children and housewives, also due to the long breaks Mexican TV gives to commercials. However, production costs are very high, hence companies that benefit most from TV advertisements are supermarkets. The most important Mexican televisions are Grupo Televisa SA, TV Metropolitana, TV Azteca, XEIPN TV, and Grupo Imagen.
- **Print media:** The press is the media that gives the most visibility to advertisements by reaching a huge segment of the population. In Mexico, it is indeed considered a credible, serious media. Although the number of digital newspapers is on the rise, Mexico has still over 100 print newspapers in circulation; some at national level and others at regional level. The most popular are El Universal, followed by Reforma and El Financiero (Merca 2.0).
- **Radio:** In Mexico, radio has the highest penetration among all media (98%) due to the fact that people listen to it in public transportation, restaurants, as well as at home and in the office. Similarly to TV, the amount of time given to radio commercial breaks is usually considerable. Mexico has about 1 400 local and regional radio stations, of which Grupo Radio Fórmula, Grupo IMER (State radio), MVS Radio, Grupo Radio Centro (5 FM and 10 AM stations), and Radio

Broadcasting Association of Valle de Mexico are the most popular. As one of the most important media in Mexico, radio may be a successful tool for advertising F&B items^{223 224 225}.

6.1.3 Case study: A successful food and beverage communication campaign in Mexico

In 2016, Grupo LALA, a Mexican dairy company, launched a Youtube experiment to increase the short sales of its flans. The company decided to use YouTube as the only advertising tool for its line of flans. The results were an increased brand penetration, which led to rising purchases of LALA flans among the consumers which were exposed to the videos, even just partially. In detail, results have been:

- + 31% penetration of flans LALA among households exposed to the YouTube campaign;
- + 8% in the purchase volume among households that watched the ads;
- + 64% increase in brand penetration among households exposed to the advertising that saw the full ads and + 26% in the case of partial views²²⁶.

Therefore, this experiment suggests that suitably designed advertising through digital channels may result in increased brand exposure and sales in the Mexican market.

6.1.4 Fairs and exhibitions

In addition to the digital approach, some companies decide to advertise their products on various trade fairs, which presence on the Mexican market is constantly growing. Most of them are endorsed by governmental ministries and agencies, or other bodies. Exhibitions constitute a promising opportunity to develop better brand recognition and initiate market interest. However, as some exhibitions might only reach local audience, it is advisable to research the exhibition's profile in advance. On the other hand, some of them might create synergies when accompanied by an online presence. It is also worth remembering that participation costs are usually directly proportional to the rank of the exhibition and its scope.

A list of upcoming exhibitions is included in an annex to this document, and further lists may be found online on websites such as:

- <https://10times.com/unitedarabemirates/food-beverage>
- <https://www.tradefairdates.com/Fairs-Mexico-Z154-S1.html>
- <https://www.elanbiz.org/elan-events>

²²³ Euromonitor International: Consumer Lifestyles, 2018

²²⁴ Santander: Mexico - Reaching the Consumer,

<https://en.portal.santandertrade.com/analyse-markets/mexico/reaching-the-consumers>

²²⁵ The Media in Mexico, <https://www.mexperience.com/lifestyle/mexico-essentials/media-in-mexico/>

²²⁶ LALA México comprobó que YouTube tiene un impacto directo en las ventas,

<https://www.thinkwithgoogle.com/intl/es-419/recursos-y-herramientas/video/lala-mexico-comprobo-que-youtube-tiene-un-impacto-directo-en-las-ventas/#>

In the case that samples (*muestras*) are to be provided at fairs, care should be taken with their imports. In order to be considered as samples with insignificant commercial value (and hence somewhat simplify their import), several requirements must be fulfilled, e.g. unit value under 1 USD and clear markings that they are samples²²⁷. In the case of animal origin products, there are specific requirements for the authorisation of their import, e.g. SENASICA-01-047-A – more information available at:

- <https://www.gob.mx/tramites/ficha/autorizacion-de-importacion-de-muestras-de-bienes-de-origen-animal-para-constatacion-analisis-o-degustaciones/SENASICA3802>
- <https://www.gob.mx/senasica/acciones-y-programas/importacion>

It is worth contacting chambers of commerce/service providers (see section 8.3), the fair organiser or existing import partners first if samples are to be imported for a fair.

6.2 Advertising regulations

Advertising in Mexico should be compliant to the regulations set out below:

- [Ley Federal de Radio y Televisión](#)
- [Reglamento de Publicidad Mexicano para Alimentos, Bebidas y Medicamentos](#)
- [Reglamento de la Ley General de Salud en Materia de Publicidad](#)
- [Ley Federal de Protección al Consumidor](#)
- [Ley Federal de Competencia Económica](#)
- [Reglamento de la Ley Federal de Radio y Televisión, en Materia de Concesiones, Permisos y Contenido de las Transmisiones de Radio y Televisión](#)
- [Reglamento sobre Promociones y Ofertas](#)

In general, advertisement should follow some rules, as set out below:

Key rules include the ones listed below:

- Advertisements must be in Spanish;
- Advertisement must follow a classified schedule depending on the type of public: children (any schedule); teenagers (after 9 p.m.), and adults (after 10 p.m.);
- In TV, advertisement must not exceed 18% of the total channel's broadcasting time; ads break during a radio programme must not exceed 12-15;
- Advertisements of alcoholic beverages must refrain from any exaggeration.


²²⁷ https://www.elanbiz.org/faq-display/-/asset_publisher/7t9b58DpyW1x/content/voy-a-participar-en-una-feria-comercial-en-mexico-como-puedo-enviar-mis-muestras-comerciales-debo-pagar-impuestos-puedo-llevarlas-en-mi-maleta-/pop_up?_101_INSTANCE_7t9b58DpyW1x_viewMode=print


7 Mexican Etiquette

7.1 Quick facts

- Business meetings should be scheduled in advance and reconfirmed once you have arrived in Mexico.
- Mexican business culture is based on social interaction that is why long business lunches are very popular.
- In Mexico, working hours are usually from 8.00 to 17.00 or from 9.00 to 18.00 from Monday to Friday but they may extend until a bit later, particularly if a longer break is taken in the middle of the day for the *comida*. The weekend is the day Mexicans devote to the family.
- Hierarchy and social status are particularly important in Mexican culture and they should be respected. Mexicans place great emphasis on showing respect to others, especially to elder and more senior members of the group.
- Mexicans adopt a more formal approach to business relationships; it is hence advisable to address Mexican business people with an appropriate title. Professional titles (i.e. '*Licenciado*' (graduate), '*Doctor*' (doctor), '*Profesor*' (professor), '*Ingeniero*' (engineer)) should be used; or if not known, courtesy titles such as 'Mr' (*Señor*), 'Mrs' (*Señora*) or 'Miss' (*Señorita*) followed by a surname should be used. First names are usually used by the family and close friends, therefore is recommendable to wait until invited to address someone in this way.
- In Mexican business culture, building close personal relationships and trust are considered vital components for a fruitful working environment. Mexicans prefer to do business with familiar people they can hence trust; it is indeed common to find family members working for the same business.
- During an initial business meeting, attendees usually exchange a warm and firm handshake both upon arrival and departure and regardless of gender or seniority. It is not uncommon for business associates who are bound by more personal relationships to kiss on the cheek or use a friendly embrace.
- Mexican business people tend to base business decisions on the degree of personal trust established with the counterpart. Therefore, the use of personal introductions through a mutual friend or an appropriate professional is crucial for establishing trust and ensuring business success in Mexico.

7.2 Key DOs and DON'Ts





DOs

1. Schedule meetings in advance.
2. Be on time.
3. Be patient if your business partner is late.
4. Give a warm and firm handshake to your counterparts.
5. Translate your documents and marketing material in Spanish.
6. Offer small gifts.
7. Show respect, especially to the elder and more senior members.
8. Take your time during business meetings!
9. Try to establish personal trust.
10. Wear suit and tie (men) / conservative dress (women)

DON'Ts



1. Forget to confirm meetings!
2. Initiate handshakes with women if you're a man.
3. Dress improperly.
4. Address Mexican business partners by their first name, unless you're not invited to do so.
5. Give yellow, red and white flowers.
6. Offer high value gifts.
7. Make direct and frequent eye contact with your Mexican counterparts.
8. Be aggressive.
9. Give the ok gesture with the thumb and index finger.
10. Press for quick final decisions!

Source: Agra CEAS / designed with Piktochart

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in Mexico, for producers wishing to develop their business in Mexico. These service providers include EU funded projects, services provided by Member States and their embassies, and other organisations and service providers.

- Section 8.1 contains the project profiles for EU funded initiatives operating in Mexico.
- Section 8.2 contains the contact information for Member States embassies within Mexico.
- Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in Mexico in 2018/2019.

8.1 European Union Organisations

Some EU funded, or co-funded, projects within Mexico offer a range of business facilitation services and information providing important insights into the Mexican market. Depending on your company profile these services can be free or fee based; and are available for companies from any EU Member State.



LATIN AMERICA
IPR SME Helpdesk

The **Latin America IPR SME Helpdesk** facilitates the expansion of the European Small and Medium-Sized Enterprises (SMEs) which are interested in or already operating in Latin America, including Mexico,

through increased know-how of the usage and enforcement of the Intellectual Property (IP) rights system. The Latin America IPR SME Helpdesk offers multilingual services (English, French, German, Spanish and Portuguese), with free information and first-line legal advice on IP related subjects as well as training, webinars and publications, specially designed for SMEs.

Contacts

Europe

Address: University of Alicante,
Campus San Vicente del
Raspeig, Edificio Torre de
Control, 03690 Alicante, Spain
Tel: +34 96 590 9684
Email:
head_office@latinamerica-ipr-
helpdesk.eu

Address: c/del Puente 222
Ejidos de Huipulco, Tlalpan
14380, Ciudad de México,
Distrito Federal
Tel: +52 55 5483 2252
Email: mexico@latinamerica-
ipr-helpdesk.eu

Mexico

Address: Avenida Eugenio Garza
Lagüera & Rufino Tamayo, Valle
Oriente, San Pedro Garza García,
66269, Nuevo León, México
Tel: +52 (81) 86256000
Email: mexico@latinamerica-
ipr-helpdesk.eu

Website: www.latinamerica-ipr-helpdesk.eu



The **European and Latin American Business Services (ELANBiz)** is a project funded by the European Union that seeks to increase and diversify the European economic presence in Latin America, including Mexico, by providing updated and comprehensive information services to European companies and organisations interested in doing business in strategic Latin American countries.

Website: www.elanbiz.org/mexico

Note: the ELANBiz project in Mexico has been concluded, but information remains available on the website at the time of writing; though may ultimately be removed at a later date.

8.2 Directory of EU Member State Embassies

EU MS	Address	Website	Contact information
Austria	Sierra Tarahumara 420 Colonia Lomas de Chapultepec 11000 Mexico, DF Mexico	www.bmeia.gv.at/oeb-mexiko/	Tel: +52 55 5251 0806 Email: mexiko-ob@bmeia.gv.at
Belgium	Avenida Alfredo Musset, 41 Colonia Polanco, Del. Miguel Hidalgo 11550 Mexico City Mexico	www.diplomatie.belgium.be/en/mexico	Tel: +52 55 5280 0758 Email: Mexico@diplobel.fed.be
Bulgaria	Paseo de la Reforma 1990 Lomas de Chapultepec P.O. Box 41-505 Mexico CDF Mexico 11001	www.mfa.bg/embassies/mexico	Tel: +52 55 5596 3283 Email: ebulgaria@yahoo.com
Croatia	Avenida Revolucion 1358, Guadalupe Inn. Delegacion Alvaro Obregon Mexico DF 01020 Mexico	www.mvep.hr/en/diplomatic-directory/diplomatic-missions-and-consular-offices-of-croatia/mexico-mexico-df,502.html	Tel: +52 55 5660 4897 Email: delcamposteta@yahoo.com
Cyprus	Calle Reforma No. 2725 Circunvalacion Vallarta Zona Minerva C.P. 44680 Guadalajara, Jalisco Mexico	www.mfa.gov.cy/mfa/embassies/embassy_mexico.nsf/mex04_gr/mex04_gr?OpenDocument	Tel: + 52 55 5202 7600 Email: limassol@prodigy.net.mx
Czech Republic	Cuvier 22, Col. Nueva Anzures Del. Miguel Hidalgo C.P. 11590 Mexico	www.mzv.cz/mexico	Tel: +52 55 5531 2544 Email: mexico@embassy.mzv.cz
Denmark	Calle Tres Picos 43 Apartado Postal 105-105 Col.	www.mexico.um.dk	Tel: +52 555255 3405 Email: mexamb@um.dk

EU MS	Address	Website	Contact information
	Chapultepec Morales 11580 Mexico DF		
Estonia	Alerces 81, Bosques de las Lomas Mexico 11700 DF Mexico	vm.ee/en/countries/mexico?display=relations	Tel: +52 55 5280 8080 Email: Lebrun.claude@lfm.edu.mx
Finland	Monte Pelvoux 111, piso 4 Colonia Lomas de Chapultepec 11000, DF Mexico	www.finlandia.org.mx/Public/Default.aspx	Tel: +52 55 5540 6036 Email: sanomat.mex@formin.fi
France	Campos Eliseos 339 - Colonia Polanco 11560 Mexico DF	www.mx.ambafrance.org	Tel: +52 55 9171 9700 Email: prensa@ambafrance-mx.org
Germany	Lord Byron No. 737, Col. Polanco Chapultepec, 11560 México, D.F. P.O Box M-10792, 0600 México, D.F. Mexico	www.mexiko.diplo.de	Tel: +52 55 5283 2200 Email: info@embajada-alemana.org.mx
Greece	Calle Monte Ararat 615, Lomas de Chapultepec, Miguel Hidalgo 11010, CDMX, Mexico	www.mfa.gr/missionsabroad/es/mexico.html	Tel: +52 55 5520 2070 Email: grem.mex@mfa.gr
Hungary	Paseo de las Palmas 2005, Lomas de Chapultepec, Delegación Miguel Hidalgo, 11000 Ciudad de México	www.mexikovaros.mfa.gov.hu	Tel: +52 55 5596 1822 Email: mission.mex@mfa.gov.hu
Ireland	Cda. Boulevard Avila Camacho 76-3 Col. Lomas de Chapultepec C.P. 11000 Mexico D.F.	www.irishembassy.com.mx/	Tel: +52 55 5520 5803 Email: mexicoembassy@dfa.ie
Italy	Paseo de las Palmas 1994 Lomas de Chapultepec C.P. 11000, Mexico, D.F.	www.ambcittadelmessico.esteri.it/	Tel: +52 55 5596 3655 Email: segreteria.messico@esteri.it
Latvia	Paseo del Rio 120 Chimalistac 01070 Mexico-City	www.mfa.gov.lv/en/usa/embassy/honorary-consuls-in-the-u-s-and-mexico/latvian-honorary-consul-in-mexico	Tel: +52 55 5662 7698 Email: sbtmex@mail.internet.com.mx
Lithuania	Avenida Veracruz 62-301 Colonia Roma Norte 06700, Mexico D.F.	<i>Not available</i>	Tel: +52 55 5596 2945 Email: consul@consuladolituaniamex.org
Luxembourg	Corporación Mercantil Peninsular, S.A.de C.V. Calle 25-A N° 500-BX 58-A	<i>Not available</i>	Tel: +52 99 9927 3443 Email: jlponceg@sureste.com

EU MS	Address	Website	Contact information
	Colonia Itzimna 97100 Merida, Yucatan		
Malta	Retorno Del Anahuac No 12, Lomas De Las Palmas, Huixquilucan 52788, Estado de Mexico, Mexico	www.foreignaffairs.gov.mt/en/Pages/Maltese%20Consular%20Representations%20Overseas/Mexico.aspx	Tel: +52 55 5291 2279 Email: maltaconsul.mexicocity@gov.mt
Netherlands	Avenida Vasco de Quiroga 3000 Edificio Calakmul, piso 7 Colonia Santa Fe 01210 Mexico D.F.	www.paisesbajos.com.mx	Tel: +52 55 5258 9921 Email: nlgovmex@nlgovmex.com
Poland	Calle Cracovia 40 Colonia San Angel	www.meksyk.polemb.net	Tel: +52 55 5481 2050 Email: meksyk.amb.sekretariat@msez.gov.pl
Portugal	Alpes 1370 Lomas de Chapultepec Miguel Hidalgo 11 000 México, D. F	www.mexico.embaixadaportugal.mne.pt/pt	Tel: +52 55 5520 7897 Email: mexico@mne.pt
Romania	Calle Sofocles no. 311, Colonia Polanco Delegacion Miguel Hidalgo 11560 Mexico City	www.rumania.org.mx	Tel: +52 55 2800 447 Email: ambromaniei@prodigy.net.mx
Slovakia	Julio Verne No. 35, (Polanco), Delegacion Miguel Hidalgo 11 560	www.mzv.sk/Mexico	Tel: +52 55 5280 6669 Email: emb.mexico@mzv.sk
Slovenia	Alfonso Reyes No. 224, Col. Hipodromo Condesa 06100 Mexico	www.mzz.gov.si/en/representations_abroad/latin_america_and_the_caribbean/mexico/	Tel: +52 55 5211 6500 Email: ariel@eslovenia.com.mx
Spain	Galileo, 114 (esq. Horacio) Colonia Polanco Delegación Miguel Hidalgo 11550 México, D.F. Mexico	www.exteriores.gob.es/Embajadas/Mexico/es/Paginas/inicio.aspx	Tel: +52 55 52 82 29 82 Email: emb.mexico@maec.es
Sweden	Paseo de las Palmas 1375 Col. Lomas de Chapultepec 11 000 México	www.swedenabroad.se/sv/utlandsmyndigheter/mexico-mexico-city/	Tel: +52 55 9178 5010 Email: ambassaden.mexico@gov.se
United Kingdom	Río Lerma No. 71 Col. Cuauhtémoc, CP. 06500 Mexico City	www.gov.uk/government/world/mexico	Tel: +52 55 1670 3200 Email: ukinmexico@fco.gov.uk

8.3 Other organisations and service providers

Service provider	Website	Address	Contact information
Services for Austrian companies			
Austrian Trade Center in Mexico	www.advantageaustria.org/mx	Avenida Presidente Masaryk 101-901 Col. Polanco V Sección Delegación Miguel Hidalgo 11560 México, DF México	Tel: +52 55 5254 4418 Email: mexico@advantageaustria.org
Services for Belgian companies			
Wallonia Export & Investment <i>*responsible also for Luxembourg</i>	www.awex-export.be/fr/contacts/conseillers-economiques-et-commerciaux/mexico-mexique	Avenida Alfredo Musset 41 Col. Polanco C.P. 11550 Mexico City México	Tel: +52 55 5280 4066 Email: mexico@awex-wallonia.com
Flanders Investment & Trade - Mexico	www.flandersinvestmentandtrade.com/en/contact/foreign-offices/mexico	Avenida Alfredo Musset 41 Col. Polanco C.P. 11550 Mexico City México	Tel: +52 55 5281 5922 Email: mexico@fitagency.com
Services for British companies			
British Chamber of Commerce in Mexico	www.britchamexico.com	Andrés Bello 10, Piso 10 Col. Polanco C.P. 11560 Ciudad de México, México	Tel: +52 55 5256 0901 Email: contact@britchamexico.com
Services for Bulgarian companies			
North American Bulgarian Chamber of Commerce	www.nabcc.com	<i>Not available</i>	<i>Not available</i>
Services for Croatian companies			
Croatian Chamber of Economy (CCE)	www.hgk.hr	Rooseveltovej trg 2, 10000 Zagreb	Tel: +385 1 456-1555 Email: hgk@hgk.hr
Services for Czech companies			
Czech-Mexican Chamber of Commerce	www.mexicanchamber.cz	Koněvova 2755/65a Prague 3, 130 00, Czech Republic	Tel: +420 608 644 121 Email: info@mexicanchamber.cz
Services for Cypriot companies			
Cyprus Chamber of Commerce and Industry	www.ccci.org.cy	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	Tel: +357 22889800 Email: chamber@ccci.org.cy
Services for Danish companies			

Service provider	Website	Address	Contact information
Nordic Chamber of Commerce in Mexico	www.camaranordicamexico.mx/web	Iza Business Center Polanco (Antara). Ejército Nacional 843-B, Corporativo Antara I, Piso 5. Colonia Granada.	Tel: +52 55 8000 2406 Email: contacto@camaranordicamexico.mx
Danish Trade Council in Mexico	www.mexico.um.dk/da/eksportraadet/eksportraadet-i-mexico	Tres Picos 43, Col. Polanco, 11580 Mexico DF	Tel: +52 55 5255 3405 Email: jacgre@um.dk
Services for Dutch companies			
Dutch Chamber of Commerce in Mexico	www.thekvk.com	<i>Not available</i>	Email: hwkintl@mx@mexis.com
Services for Estonian companies			
Estonian Chamber of Commerce and Industry	www.koda.ee	Toom-Kooli 17, 10130 Tallinn	Tel: +372 604 0060 Email: koda@koda.ee
Services for Finnish companies			
Nordic Chamber of Commerce in Mexico	www.camaranordicamexico.mx/web	Iza Business Center Polanco (Antara). Ejército Nacional 843-B, Corporativo Antara I, Piso 5. Colonia Granada.	Tel: +52 55 8000 2406 Email: contacto@camaranordicamexico.mx
Business Finland Mexico Trade Center	www.businessfinland.fi/en/locations/americas/mexico	Monte Pelvoux 111 cuarto piso Lomas de Chapultepec Delegación Miguel Hidalgo	Tel: +358 29 50 55000 Email: heidi.virta@businessfinland.fi
Services for French companies			
Franco-Mexican Chamber of Commerce & Industry	www.franciamexico.com	Protasio Tagle N°104° Col. San Miguel Chapultepec 11850, Mexico D.F	Tel: +52 55 5272 0960 Email: camfrancomex@cfmci.com
Business France	https://export.businessfrance.fr/mexique	La Fontaine 32 Col. Polanco México DF CP 11560	Tel : +52 55 9171 9889 Email : mexico@businessfrance.fr
France Mexico Consulting	www.francemexicoconsulting.com	17 Rue Alfred Roll 75017 Paris	Tel: +33 6 64 95 97 32 Email: hector.castro@francemexicoconsulting.com
Services for German companies			
Mexico-German Chamber of Commerce & Industry	www.mexiko.ahk.de	German Centre, 1-4-10, Avenida Santa Fe 170 Colonia Lomas de Santa Fe 01210 Ciudad de México	Tel: +52 55 1500 5900 Email: info@ahkmexico.com.mx
Services for Greek companies			

Service provider	Website	Address	Contact information
Enterprise Greece – Invest & Trade	www.enterprisegreece.gov.gr	109 Vasilissis Sophias Avenue, 115 21 Athens, Greece	Tel: +30 210 335 5700 Email: info@enterprisegreece.gov.gr
Services for Hungarian companies			
Hungarian-Mexican Chamber of Commerce	www.mexcham.hu	Rio Amazonas 22, Col. Cuauhtemoc, Mexico, DF. C.P.: 06500	Tel: +52 55 5029 3060 Email: deli.andrea@tradehouse.hu
Services for Irish companies			
Irish-Mexican Chamber	www.irishmexicanchamber.com	<i>Not available</i>	Email: info@irishmexicanchamber.com
Enterprise Ireland	www.enterpriseireland.com/en/Export-Assistance/International-Office-Network-Services-and-Contacts/Mexico.html	The Plaza East Point Business Park Dublin 3	Tel: +353 1 727 2000 Email: sean.davis@enterpriseireland.com
Services for Italian companies			
Italian Chamber of Commerce in Mexico	www.camaraitaliana.com.mx	Av. Presidente Mazarik No. 490 oficina 801 Col. Polanco C.P. 11550 México, D.F.	Tel: +52 55 5282 2500 Email: info@camaraitaliana.com.mx
Italian Trade Agency – Mexico office	www.ice.it/en/markets/mexico	Campos Eliseos, 385 - Colonia Polanco 11560, Mexico City	Tel: +52 55 5280 8425 Email: messico@ice.it
Services for Latvian companies			
Latvian Chamber of commerce and industry	www.chamber.lv	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	Tel: +371 67225592 Email: info@chamber.lv
Services for Lithuanian companies			
Association of Lithuanian Chambers of Commerce, Industry and Crafts	www.chambers.lt	Vašingtono a. 1-63A, LT-01108 Vilnius	Tel: +370 5 261 21 02 Email: info@chambers.lt
Services for Luxembourgian companies			
Wallonia Export & Investment <i>*responsible also for Luxembourg</i>	www.awex-export.be/fr/contacts/conseillers-economiques-et-	Avenida Alfredo Musset 41 Col. Polanco C.P. 11550 Mexico City México	Tel: +52 55 5280 4066 Email: mexico@awex-wallonia.com

Service provider	Website	Address	Contact information
	commerciaux/mexico-mexique		
Services for Maltese companies			
The Malta Chamber of Commerce, Enterprise and Industry	www.maltachamber.org.mt	64, Republic Street, Valletta, Malta	<i>Not available</i>
Services for Polish companies			
Polish Investment and Trade Agency - Mexico office	www.paih.gov.pl/foreign_trade_office_mexico_city	Torre Mayor, 32nd floor Av. Paseo de la Reforma #505 Col. Cuauhtémoc 06500 Ciudad de México	Tel: +52 55 5211 7470 Emails: patrycja.staszewska@paih.gov.pl; patrycja.augustyniak@paih.gov.pl
Services for Portuguese companies			
Portuguese-Mexican Chamber of Commerce and Industry	www.camarusomexicana.org	AIP - negocios Con Junqueira, Cuadrado de Industrias - Sala 6, 2ª planta 1300-307 Lisboa, Portugal	Tel: +351 217 959 161 Email: info@camarusomexicana.org
Services for Romanian companies			
Romanian-Mexican Bilateral Chamber of Commerce (<i>currently not active</i>)	www.uccbr.ro/camerede-comert-bilaterale	<i>Not available</i>	Email: emanueladobre@yahoo.com
Services for Slovakian companies			
Slovak Chamber of Commerce & Industry	www.sopk.sk	Gorkého 9, 81603 Bratislava, Slovakia	Tel: +421 2 54433272
Services for Slovenian companies			
Chamber of Commerce and Industry of Slovenia	www.eng.gzs.si	Dimičeva 13, SI-1504 Ljubljana	Tel: + 386 1 5898 000 E-mail: info@gzs.si
Services for Spanish companies			
ICEX Mexico	https://www.icex.es/	Avenida Presidente Masaryk, 473 - Colonia Los Morales Polanco / Delegación Miguel Hidalgo Ciudad de México 11530	Tel : +52 55 9138 6040 E-mail: mexico@comercio.mineco.es
Spanish Chamber of Commerce in Mexico (Mexico City)	www.camescom.com.mx	Homero 1430. Col Polanco. Del Miguel Hidalgo 11510	Tel: +52 55 5395 4803

Service provider	Website	Address	Contact information
			Email: cam.espanola@comescom.com.mx
Spanish Chamber of Commerce in Mexico (Quintana Roo)	www.comescom.com.mx	Av. Acanceh Mzn 2 Lt 3 Piso 3, Cancún, Quintana Roo, C.P. 77580	Tel: +52 1 998 141 5569 Email: delegacionqr@comescom.com.mx
Spanish Chamber of Commerce in Mexico (Querétaro)	www.comescom.com.mx	Prolongación Tecnológico # 950, piso 7. Col. San pablo, C.P. 16160, Querétaro, Querétaro.	Tel: +52 (1) 442 421 8049 Email: queretaro@comescom.com.mx
Catalonia Trade & Investment – Mexico office	www.catalonia.com/offices/mexico.jsp	Avda. Insurgentes Sur nº 600 - 301 Col. del Valle. 03100 México DF	Tel: + 52 55 1107 1904 Email: mexico@catalonia.com
Services for Swedish companies			
Nordic Chamber of Commerce in Mexico	www.camaranordicamexico.mx/web	Iza Business Center Polanco (Antara). Ejército Nacional 843-B, Corporativo Antara I, Piso 5. Colonia Granada.	Tel: +52 55 8000 2406 Email: contacto@camaranordicamexico.mx
Business Sweden – Mexico office	www.business-sweden.se/en/Trade/international-markets/americas/Mexico	Miguel de Cervantes Saavedra 193-802 , Col. Granada, Del. Miguel Hidalgo , C.P. 11520 México, D.F. , Mexico	Tel: +52 55 9126 3430 Email: mexico@business-sweden.se

8.4 Calendar of trade events and exhibitions

Event	Date	Recurrence	Venue	Organiser Details
JANUARY 2019				
FEBRUARY 2019				
Mexican National Chili Cookoff	22-24	Annual	Tobolandia, Ajijic	Tel: 376 766 3167 Email: info@mexicannationalchilicookoff.com Website: www.mexicannationalchilicookoff.com

Event	Date	Recurrence	Venue	Organiser Details
Expo Carnes	26-28	Biannual	Cintermex, Monterrey	Tel: +52 (81) 8369 6960 Email: info@expocarnes.com Website: www.expocarnes.com
Feria Internacional Del Helado	27 Feb - 1 March	Annual	Expo Guadalajara, Guadalajara	Tel: (33) 3044 5545 Email: informes@exprojhr.mx Website: www.feriadelhelado.org
MARCH 2019				
EXPO ANTAD & ALIMENTARIA Mexico	5-7	Annual	Expo Guadalajara, Guadalajara	Tel: (+34) 93 553 10 86 Email: vstumbov@alimentaria.com Website: www.alimentaria-mexico.com
Expo Proveedores de Gastronomía y Hoteles	21-22	Bi/tri annual	Queretaro	http://www.grupoexprefeso.com/
APRIL 2019				
MAY 2019				
JUNE 2019				
JULY 2019				
Expo Proveedores de Gastronomía y Hoteles	2-3	Bi/tri annual	Puerto Vallarta	http://www.grupoexprefeso.com/
Expo Panificacion Monterrey	23-24	Annual	Cintermex, Monterrey	Tel: +52 (81) 8289 8421 Email: info@expopanificacion.com Website: www.expopanificacion.com
Confitexpo	30 July - 2 August	Annual	Expo Guadalajara, Guadalajara	Tel: +52 (55) 564 7040 Email: info@confitexpo.com Website: www.confitexpo.com
AUGUST 2019				
Gourmet Show	29-31	Annual	World Trade Center, Mexico City	Tel: +52 (55) 5604 4900 Email: anacorral@tradex.com.mx Website: www.gourmetshow.mx
Expo Cafe	29-31	Annual	World Trade Center, Mexico City	Tel: +52 (55) 5604 4900 Email: anacorral@tradex.com.mx Website: www.expocafe.mx
Salon Chocolate	29-31	Annual	World Trade Center, Mexico City	Tel: +52 (55) 5604 4900 Email: anacorral@tradex.com.mx Website: www.salonchocolate.mx
Wine Room	29-31	Annual	World Trade Center, Mexico City	Tel: +52 (55) 5604 4900 Email: anacorral@tradex.com.mx Website: www.wineroom.mx

Event	Date	Recurrence	Venue	Organiser Details
Agave Fest	29-31	Annual	World Trade Center, Mexico City	Tel: +52 (55) 5604 4900 Email: anacorral@tradex.com.mx Website: www.agavefest.info
SEPTEMBER 2019				
Abastur Expo Concurrent event: - Pizza & Pasta Show	3-6	Annual	Centro Citibanamex, Mexico City	Website: www.abastur.com
FoodTech Summit & Expo Mexico Ciudad	26-27	Annual	Centro Banamex, Mexico City	Encumex, S.A. de C.V. Medellin No. 338, Piso 3 , Col. Roma Sur Delegacion Cuauhtemoc CP 06760 Mexico Ciudad, Mexico Tel: +52 (0)55 56051777 www.enfasis.com

8.5 Database of professionals' contacts

List of relevant buyers, importers and distributors

Company name	Type	Area of interest	Phone	Email	Website
Advance Food de México, S. de .R.L.	Retail/ HoReCa	F&B	+52 55 2458 0058	<i>Not available</i>	www.advancefooddemexico.com
Agrodry S.A. De CV	Import	F&V, Spices	+52 44 4810 0082	info@agrodry.com.mx	www.agrodry.com.mx
Alba Nova S.A. De CV	Import	Wine, Spirits	+52 55 2029391	<i>Not available</i>	<i>Not available</i>
Alazan	Import/ Distribution	Cereals, Processed F&V	+52 55 5640 1600	info@alazan.com.mx	www.alazan.com.mx
Aldea – Alimentos de Asturias	Import/ Distribution	Asturian Foodstuff	<i>Not available</i>	aldea@aldeastur.com	www.aldeastur.com
Alexanderson Congelados S.A. De CV	Import	Frozen F&V	+52 57 8435 3378	<i>Not available</i>	<i>Not available</i>
Alimentos Convenientes San Patric S.A.	HoReCa	Foodstuff	+52 55 8590 5780	<i>Not available</i>	www.alimentosconvenientes.com.mx
ALSEA	HoReCa	Foodstuff	+52 55 7583 2000		www.alsea.net
Amurol Mexico S.A. De CV (Grupo Delicias)	Import	Bakery	+52 55 5694 3032	direccion@grupocimaron.com.mx	www.lasdelicias.com.mx
APYS	HoReCa	Foodstuff	+52 55 5353.9795	<i>Not available</i>	www.apys.com.mx
Autenta Foods	Import	Snacks	+52 55 5082 9200	contacto@autentafoods.com	www.autentafoods.com

Market Entry handbook

Company name	Type	Area of interest	Phone	Email	Website
Café Marino	Import	Confectionery, Processed Fruit	+52 55 5571 1133	cafe_marino@infosel.net.mx	www.cafemarino.com.mx
Canvas S.A. de Cv (La Provenzale)	Import/ Distribution	Wine	+52 55 5271 9241	<i>Not available</i>	<i>Not available</i>
Casa Cuervo	Import/ Distribution	Wine, Spirits	+52 55 5625 4400	cuervo@infosel.net.mx	www.cuervo.com
Centeniel	Import/ Distribution	Foodstuff, Wine	+52 55 5227 4500	ftorres@casasaba.com	<i>Not available</i>
Central Foods México	HoReCa	Foodstuff	+52 55 5564 4316	ventas@centralfoods.com.mx	www.centralfoods.com.mx
Centro Abarrotero del Bajío	Import/ Distribution	Processed F&V	+52 442 223 0387	<i>Not available</i>	www.centroabarroterodelbajio.com
Centro Comercial Soriana	Retail	F&B	+52 55 8329 9000	flopez@soriana.com; rmadero@soriana.com	www.soriana.com
Champs Elysées	Import	French wine & spirits	+52 55 5514 0450	<i>Not available</i>	<i>Not available</i>
Chef Mart	HoReCa	Foodstuff	+52 55 5354 4270	contacto.chefmart@gmail.com	www.chefmart.com.mx
Chenson De México	Import/ Distribution	Olive oil, Confectionery	+52 53 00 15 10	chenson@iwm.com.mx	<i>Not available</i>
Cittec México	Import	Wine	+52 55 5669 4201	cittec@prodigy.net.mx	www.cittec.mexico.free.fr
City Market / La Comer	Retail / e-commerce	Wine, varios foodstuffs	+52 52 47 78 02	lacomer@callcentermexico.com.mx	https://www.citymarket.com.mx
Club del Gourmet (Pantos S.A. de C.V)	Import/ Distribution	Wine,	+52 55 5554 8336	pantos@clubdelgourmet.com.mx	www.clubdelgourmet.com.mx

Market Entry handbook

Company name	Type	Area of interest	Phone	Email	Website
Colombres	Import/ Distribution	Wine, Beer, Spirits, Processed F&V etc.	+52 55 5561 7602	<i>Not available</i>	www.colombres.com.mx
Comercial Hispana SRL	Import/ Distribution	Wine, Spirits, Foodstuff	+52 56 81 23 90	<i>Not available</i>	www.comercialhispana.com.mx
Comercializadora Corzo S.A. de CV	Import	Pasta, Wine, Olive oil	+52 55 5615 5792	comecor@prodigy.net. mx	<i>Not available</i>
Comercializadora El Sargazo	Import/ Distribution	F&B	+52 646 175 8504	vientas@Sargazo.com	www.sargazo.com
Comercializadora Garcasi, S.A. de CV	Import/ Distribution	Processed F&V	+52 55 5652 7768	<i>Not available</i>	<i>Not available</i>
Comercializadora la Gayta, S.A. de CV	Import/ Distribution	Wine, Processed F&V	+52 55 5566 4525	<i>Not available</i>	<i>Not available</i>
Compañía Continental De Comercio S.A. de CV	Import	Olive oil, Dairy, Processed F&V etc.	+52 55 5671 0983	cocosa@prodigy.com. mx	<i>Not available</i>
CON Alimentos	Import/ Distribution	Foodstuff	+52 55 5779 8282	contacto@con- alimentos.com.mx	www.con-alimentos.com.mx
Corp de Importaciones y Exportaciones Mexicanas S.A. de CV	Import/ Distribution	Foodstuff	+52 55 5357 4476	<i>Not available</i>	www.ciemsamexico.com.mx
COSTCO Wholesale	Wholesale	F&B	<i>Not available</i>	<i>Not available</i>	www.costco.com.mx
Cromo Regalos	Import/ Distribution	Pasta	+52 55 5545 3062	<i>Not available</i>	<i>Not available</i>

Market Entry handbook

Company name	Type	Area of interest	Phone	Email	Website
D' Vino (Soleras de Espana)	Import/ Distribution	Wine	+52 55 5519 1693	soles@planet.com.mx	<i>Not available</i>
Destiladora Gonzalez Gonzalez, S.A. de CV	Import	Spirits	+52 33 3883 1700	<i>Not available</i>	<i>Not available</i>
Dinaprim (Grupo Amtmann)	Import	Wine, Spirits	+52 55 5277 7000	<i>Not available</i>	<i>Not available</i>
Distribudora de Alimentos MGA	Import/ Distribution	Groceries	<i>Not available</i>	ventasmg@distribuidoramga.com	www.distribuidoramga.com
Distribuidora Dolgo (Casa Goenaga)	Import	Foodstuff	+52 55 5536 2530	<i>Not available</i>	www.casagoenaga.com.mx
Distribuidora Ybarra S.A. De CV	Import	Edible oil	+52 55 5511 1147	ventas@ybarra.com.mx	www.ybarra.com.mx
Dogale Comercio Exterior	Distribution	Foodstuff	+52 33 3647 2406	<i>Not available</i>	www.dogale.com.mx
Douro	Import/ Distribution	Wine	+52 55 5564 9661	74751.1401@compuserve.com	www.douro.com.mx
Elizondo Agroalimentos, S.A. de CV	Import/ Distribution	Cereals, Dried F&V etc.	+52 81 8327 1350	<i>Not available</i>	www.elizondomexico.com
Enlace Comercial Internacional S.A. De CV	Import/ Distribution	Foodstuff	+52 55 5661 5126	ltejadaj@df1.telmex.net.mx	<i>Not available</i>
ESCOSA	Import/ Distribution	Processed F&V, Spices	+52 55 5277 3822	pcamhi@escosa.com.mx	www.escosa.mx
Exclusivas Benet S.A. de CV	Import/ Distribution	Wine, Spirits	+52 55 5552 7700	exbenet@prodigy.net.mx	www.exclusivas-benet.com

Market Entry handbook

Company name	Type	Area of interest	Phone	Email	Website
Fiorentini Chocolates	Import	Chocolate	+52 55 5593 5490	<i>Not available</i>	www.fiorentini.com.mx
Food Service Group	HoReCa	Foodstuff	<i>Not available</i>	proveedores@foodservice.com.mx	www.foodservice.com.mx
GAPA Foodservice	HoreCa	Foodstuff	+52 55 5600 0320	ventas@gapa.mx	www.gapa.mx
Grandes Viñedos De Francia	Import	Wine	+52 55 5264 5037	vinedos@df1.telmex.net.mx	www.gvf.com.mx
Grupo Comercial Sagopa S.A. de CV	Retail/ Distribution	Meat	+52 55 5543 8371	<i>Not available</i>	<i>Not available</i>
Grupo Novelda	Import/ Distribution	Foodstuff	+52 222 2365 564	<i>Not available</i>	www.gruponovelda.com
Grupo Premier	Import/ Distribution	Dried fruit	+52 33 8000 8300	lrr@gpopremier.com	www.gpopremier.com
GVM Alimentos	Import/ Distribution	Bakery, Chocolate, Confectionery	+ 52 55 5365 9994	<i>Not available</i>	www.gvmprueba.blogspot.com
Hanseatik	Import/ Distribution	Gourmet foodstuff	+52 55 5652 7550	ventas@hanseatik.com	www.hanseatik.com
José Manuel Santos Del Corral (Internacional Gastronómica)	Import/ Distribution	F&V, Olive oil	+52 55 5537 9460	<i>Not available</i>	<i>Not available</i>
Kadosa Internacional S.A. De CV	Import	Dairy	+52 55 5575 7515	Kadosa_midwest@info sel.net.mx	<i>Not available</i>
KUA	Import	Gourmet food, Chocolate etc.	+52 55 5292 9837	contacto@kuamexfoods.com.mx	www.kuamexfoods.com
Hanan Distribuciones	Import/ Distribution	Dried foodstuff	+52 998 886 3110	<i>Not available</i>	www.grupohanan.com

Market Entry handbook

Company name	Type	Area of interest	Phone	Email	Website
HB Alimentos	Import/ Distribution	Meat, Dairy etc.	+52 81 8335 3509	info@hbalimentos.com	www.hbalimentos.com
Innova Alimentos S.A. de CV	Distribution	Food ingredients	+52 55 5357 0415	innova@acnet.net	www.innova-alimentos.mx
ITG Importacion Exportacion	Import	Cheese	+52 55 5277 9738	<i>Not available</i>	<i>Not available</i>
La Castellana	Import/ Distribution	Wine	+52 55 5573 4791	info@lcastellana.com	www.lcastellana.com
La Cave – Club del Vino	Import/ Distribution	Wine	+52 55 5574 8855	info@lacave.com.mx	www.lacave.com.mx
La Europea	Retail	Wine, Spirits, Beer, Gourmet foodstuff	+52 55 5211 4668	info@laeuropea.com. mx	www.laeuropea.com.mx
La Madrileña	Impor/distribut ion	Wine, spirits	+ 52 33 3875 8800	<i>Not available</i>	www.madrilena.com.mx
La Pasiega	Import/ Distribution	Confectionery, Bakery, Processed F&V etc.	+52 55 5694 9094	pasiega@mail.internet. com.mx	www.lapasiega.mx
La Puerta del Sol	Import/ Distribution	Wine, Spirits, Processed F&V etc.	+52 55 5532 1619	<i>Not available</i>	www.lapuertadelsol.com.mx
Lozano Magaña S.A. de CV	Sales representative	Wine, Processed fruit	+52 55 5525 3737	lozanom@solar.sar.mx	www.lozanom.com
Marinter	Import/ Distribution	Wine, cheese, ham	+52 55 1946 0440	ventas@marinter.com. mx	www.marinter.com.mx
Mercantil MX	Import/ Distribution	F&V, Processed meat	+52 55 5899 7100	lroiz@mercantilcuautil an.com	www.mercantilmx.com
New York Deli & Bagel	Import/ Distribution	Bakery	+52 55 2454 4100	<i>Not available</i>	www.newyorkdelibagel.com

Market Entry handbook

Company name	Type	Area of interest	Phone	Email	Website
Noriega Y Lavalle S.A. de CV	Import/ Distribution	Cereals, Fruit	+52 33 3647 2406	<i>Not available</i>	<i>Not available</i>
Operadora Prissa S.A. de CV	Retail	Wine, Spirits, Olive oil	+52 22 2303 1900	prisa@mail.prissa.com. mx	www.prissa.mx
OXXO	Retail	F&B	+52 81 8320 2020	<i>Not available</i>	www.oxxo.com
Partimar	Import/ Distribution	Italian Wine, Distillates, Pasta, Snacks	+52 55 5566 3544	contacto@partimar.co m	www.partimar.com
Productos Marco Polo S.A. de CV	Import/ Distribution	Chocolate & Confectionery	+52 55 5657 4427	ventas@productosmar copolo.mx	www.productosmarcopolo.mx
Proexim S.A. de CV	Import	Wine	+52 55 5553 2312	<i>Not available</i>	<i>Not available</i>
Proveedora de Alimentos de Cancun (Pacsa)	HoReCa	Frozen food	+52 984 206 3220	ventas.playa@pacsadel i.com.mx	www.pac-sa.com.mx
Seagram De Mexico S.A. de CV	Import	Wine, Spirits	+52 55 5278 0293	<i>Not available</i>	<i>Not available</i>
Selecciones Gastronómicas Paradiso S.A. de CV (Paradiso)	Import	Wine & Foodstuff	+52 55 5280 6800	<i>Not available</i>	<i>Not available</i>
Sigma Alimentos S.A. de CV	Import & processing	Foodstuff	+52 81 87489000	investorrelations@sig ma-alimentos.com	www.sigma-alimentos.com
Simplot	HoReCa/ E- commerce	Foodstuff	+52 55 3618 0000	info.mexico@simplot.c om	www.simplot.com.mx
Strategia	Import/ Distribution/ Retail	F&B	+52 55 5026 0490	info@strategia- inter.com.mx	www.strategia-inter.com.mx

Market Entry handbook

Company name	Type	Area of interest	Phone	Email	Website
Super Brands S.A. de CV	Import/ Distribution	Foodstuff	+52 55 5557 9284	info@superbrands.mx	www.superbrands.mx
Superama (part of Walmart)	Retail / e-commerce	Foodstuffs	+52 51 340034	<i>Not available</i>	www.superama.com.mx
Tiendas Chedraui / Selecto	Retail/ E-commerce	Foodstuff	01800 925 1111	<i>Not available</i>	www.chedraui.com.mx
Trico Grupo Industrial	Distribution	Wine, Olive oil, Cheese	+52 55 5660 4911	<i>Not available</i>	<i>Not available</i>
Valsa (Vinos, Alimentos y Licores S.A.)	Import/ Distribution	Wine, Spirits, Confectionery etc.	+52 55 5539 5183	<i>Not available</i>	www.valsasa.com.mx
Viniter	Import	Italian foodstuff	+52 55 5515 3142	ventas@vininter.com.mx	www.vininter.com.mx
Vinos Y Licores Naucalpan S.A. de CV	Import/ Distribution	Wine, Processed vegetables	+52 55 5390 0236	<i>Not available</i>	<i>Not available</i>
Vinoteca	Retail/ Distribution	Wine	+52 81 8378 2615	<i>Not available</i>	www.vinoteca.com
Vyacsa Foods	HoReCa	Processed F&V, Milk	+52 55 5694 6482	vyacsa@mail.internet.com.mx	www.vyacsa.com

9 European products registered or set to be registered as GIs under the modernised EU-Mexico Trade Agreement

Agreement between the European Community and the United Mexican States on the mutual recognition and protection of designations for spirit drinks

Trademark Name	Product Category
Rhum de la Martinique	Rum
Rhum de la Guadeloupe	Rum
Rhum de la Réunion	Rum
Rhum de la Guyane	Rum
Ron de Malaga	Rum
Ron de Granada	Rum
Rum da Madeira	Rum
Scotch Whisky	Whisky
Irish Whisky	Whisky
Whisky español	Whisky
Irish Whiskey	Whisky
Uisce Beatha Eireannach/Irish Whiskey	Whisky
Eau-de-vie de seigle de marque nationale luxembourgeoise	Grain Spirits
Korn	Grain Spirits
Kornbrand	Grain Spirits
Eau-de-vie de Cognac	Wine Spirit
Eau-de-vie des Charentes	Wine Spirit
Cognac	Wine Spirit
(This designation may be supplemented by the following indications:	Wine Spirit
— Fine	Wine Spirit
— Grande Fine Champagne	Wine Spirit
— Grande Champagne	Wine Spirit
— Petite Fine Champagne	Wine Spirit
— Fine Champagne	Wine Spirit
— Borderies	Wine Spirit

Trademark Name	Product Category
— Fins Bois	Wine Spirit
— Bons Bois.)	Wine Spirit
Fine Bordeaux	Wine Spirit
Armagnac	Wine Spirit
Bas-Armagnac	Wine Spirit
Haut-Armagnac	Wine Spirit
Ténarèse	Wine Spirit
Eau-de-vie de vin de la Marne	Wine Spirit
Eau-de-vie de vin originaire d'Aquitaine	Wine Spirit
Eau-de-vie de vin de Bourgogne	Wine Spirit
Eau-de-vie de vin originaire du Centre-Est	Wine Spirit
Eau-de-vie de vin originaire de Franche-Comté	Wine Spirit
Eau-de-vie de vin originaire du Bugey	Wine Spirit
Eau-de-vie de vin de Savoie	Wine Spirit
Eau-de-vie de vin originaire des Coteaux de la Loire	Wine Spirit
Eau-de-vie de vin des Côtes-du-Rhône	Wine Spirit
Eau-de-vie de vin originaire de Provence	Wine Spirit
Faugères or Eau-de-vie de Faugères	Wine Spirit
Eau-de-vie de vin originaire du Languedoc	Wine Spirit
Aguardente do Minho	Wine Spirit (<i>cont'd</i>)
Aguardente do Douro	Wine Spirit (<i>cont'd</i>)
Aguardente da Beira Interior	Wine Spirit (<i>cont'd</i>)
Aguardente da Bairrada	Wine Spirit (<i>cont'd</i>)
Aguardente do Oeste	Wine Spirit (<i>cont'd</i>)
Aguardente do Ribatejo	Wine Spirit (<i>cont'd</i>)
Aguardente do Alentejo	Wine Spirit (<i>cont'd</i>)
Aguardente do Algarve	Wine Spirit (<i>cont'd</i>)
Brandy de Jerez	Brandy
Brandy del Penedés	Brandy
Brandy italiano	Brandy
Brandy Αττικής/Attica Brandy	Brandy

Trademark Name	Product Category
Brandy Πελοποννήσου/Peloponnese Brandy	Brandy
Brandy Κεντρικής Ελλάδας/Brandy from central Greece	Brandy
Deutscher Weinbrand	Brandy
Wachauer Weinbrand, Weinbrand Dürnstein	Brandy
Eau-de-vie de marc de Champagne or Marc de Champagne	Grape marc spirit
Eau-de-vie de marc originaire d'Aquitaine	Grape marc spirit
Eau-de-vie de marc de Bourgogne	Grape marc spirit
Eau-de-vie de marc originaire du Centre-Est	Grape marc spirit
Eau-de-vie de marc originaire de Franche-Comté	Grape marc spirit
Eau-de-vie de marc originaire du Bugey	Grape marc spirit
Eau-de-vie de marc originaire de Savoie	Grape marc spirit
Marc de Bourgogne	Grape marc spirit
Marc de Savoie	Grape marc spirit
Marc d'Auvergne	Grape marc spirit
Eau-de-vie de marc originaire des Coteaux de la Loire	Grape marc spirit
Eau-de-vie de marc des Côtes du Rhône	Grape marc spirit
Eau-de-vie de marc originaire de Provence	Grape marc spirit
Eau-de-vie de marc originaire du Languedoc	Grape marc spirit
Marc d'Alsace Gewiirztraminer	Grape marc spirit
Marc de Lorraine	Grape marc spirit
Bagaceira do Minho	Grape marc spirit
Bagaceira do Douro	Grape marc spirit
Bagaceira da Beira Interior	Grape marc spirit
Bagaceira da Bairrada	Grape marc spirit
Bagaceira do Oeste	Grape marc spirit
Bagaceira do Ribatejo	Grape marc spirit
Bagaceira do Alentejo	Grape marc spirit
Bagaceira do Algarve	Grape marc spirit
Orujo gallego	Grape marc spirit

Trademark Name	Product Category
Grappa	Grape marc spirit
Grappa di Barolo	Grape marc spirit
Grappa piemontese or del Piemonte	Grape marc spirit
Grappa lombarda or di Lombardia	Grape marc spirit
Grappa trentina or del Trentino	Grape marc spirit
Grappa friulana or del Friuli	Grape marc spirit
Grappa veneta or del Veneto	Grape marc spirit
Südtiroler Grappa/Grappa dell'Alto Adige	Grape marc spirit
Τσικουδιά Κρήτης/Tsikoudia from Crete	Grape marc spirit
Τσίπουρο Μακεδονίας/Tsipouro from Macedonia	Grape marc spirit
Τσίπουρο Θεσσαλίας/Tsipouro from Thessaly	Grape marc spirit
Τσίπουρο Τυρνάβου/Tsipouro from Tyrnavos	Grape marc spirit
Eau-de-vie de marc de marque nationale luxembourgeoise	Grape marc spirit
Schwarzwälder Kirschwasser	Fruit spirit
Schwarzwälder Himbeergeist	Fruit spirit
Schwarzwälder Mirabellenwasser	Fruit spirit
Schwarzwälder Williamsbirne	Fruit spirit
Schwarzwälder Zwetschgenwasser	Fruit spirit
Fränkisches Zwetschgenwasser	Fruit spirit
Fränkisches Kirschwasser	Fruit spirit
Fränkischer Obstler	Fruit spirit
Mirabelle de Lorraine	Fruit spirit
Kirsch d'Alsace	Fruit spirit
Quetsch d'Alsace	Fruit spirit
Framboise d'Alsace	Fruit spirit
Mirabelle d'Alsace	Fruit spirit
Kirsch de Fougerolles	Fruit spirit
Sudtiroler Williams/Williams dell Alto Adige	Fruit spirit
Sudtiroler Aprikot or Sudtiroler	Fruit spirit
Marille/Aprikot dell Alto Adige or Marille dell'Alto Adige	Fruit spirit

Trademark Name	Product Category
Südtiroler Kirsch/Kirsch dell Alto Adige	Fruit spirit
Südtiroler Zwetschgeler/Zwetschgeler dell'Alto Adige	Fruit spirit
Sudtiroler Obstler/Obstler dell Alto Adige	Fruit spirit
Südtiroler Gravensteiner/Gravensteiner dell'Alto Adige	Fruit spirit
Südtiroler Golden Delicious/Golden Delicious dell' Alto Adige	Fruit spirit
Williams friulano or del Friuli	Fruit spirit
Sliwovitz del Veneto	Fruit spirit
Sliwovitz del Friuli-Venezia Giulia	Fruit spirit
Sliwovitz del Trentino-Alto Adige	Fruit spirit
Distillato di mele trentino or del Trentino	Fruit spirit
Williams trentino or del Trentino	Fruit spirit
Sliwovitz trentino or del Trentino	Fruit spirit
Aprikot trentino or del Trentino	Fruit spirit
Medronheira do Algarve	Fruit spirit
Medronheira do Buçaco	Fruit spirit
Kirsch or Kirschwasser friulano	Fruit spirit
Kirsch or Kirschwasser trentino	Fruit spirit
Kirsch or Kirschwasser veneto	Fruit spirit
Aguardente de pêra da Lousã	Fruit spirit
Eau-de-vie de pommes de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de poires de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de kirsch de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de quetsch de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de mirabelle de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de prunelles de marque nationale luxembourgeoise	Fruit spirit
Wachauer Marillenbrand	Fruit spirit

Trademark Name	Product Category
Sliwovitz del Friuli-Venezia Giulia	Fruit spirit
Sliwovitz del Trentino-Alto Adige	Fruit spirit
Distillato di mele trentino or del Trentino	Fruit spirit
Williams trentino or del Trentino	Fruit spirit
Sliwovitz trentino or del Trentino	Fruit spirit
Aprikot trentino or del Trentino	Fruit spirit
Medronheira do Algarve	Fruit spirit
Medronheira do Buçaco	Fruit spirit
Kirsch or Kirschwasser friulano	Fruit spirit
Kirsch or Kirschwasser trentino	Fruit spirit
Kirsch or Kirschwasser veneto	Fruit spirit
Aguardente de pêra da Lousã	Fruit spirit
Eau-de-vie de pommes de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de poires de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de kirsch de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de quetsch de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de mirabelle de marque nationale luxembourgeoise	Fruit spirit
Eau-de-vie de prunelles de marque nationale luxembourgeoise	Fruit spirit
Wachauer Marillenbrand	Fruit spirit
Calvados du Pays d'Auge	Cider spirit and perry spirit
Calvados	Cider spirit and perry spirit
Eau-de-vie de cidre de Bretagne	Cider spirit and perry spirit
Eau-de-vie de poiré de Bretagne	Cider spirit and perry spirit
Eau-de-vie de cidre de Normandie	Cider spirit and perry spirit
Eau-de-vie de poiré de Normandie	Cider spirit and perry spirit
Eau-de-vie de cidre du Maine	Cider spirit and perry spirit
Aguardiente de sidra de Asturias	Cider spirit and perry spirit
Eau-de-vie de poiré du Maine	Cider spirit and perry spirit

Trademark Name	Product Category
Bayerischer Gebirgsenzian	Gentian spirit
Südtiroler Enzian/Genzians dell'Alto Adige	Gentian spirit
Genziana trentina or del Trentino	Gentian spirit
Pacharán	Fruit spirit drinks
Pacharán navarro	Fruit spirit drinks
Ostfriesischer Korngenever	Juniper-flavoured spirit drinks
Genièvre Flandres Artois	Juniper-flavoured spirit drinks
Hasseltse jenever	Juniper-flavoured spirit drinks
Balegemse jenever	Juniper-flavoured spirit drinks
Péket de Wallonie	Juniper-flavoured spirit drinks
Steinhäger	Juniper-flavoured spirit drinks
Plymouth Gin	Juniper-flavoured spirit drinks
Gin de Mahón	Juniper-flavoured spirit drinks
Dansk Akvavit/Dansk Aquavit	Caraway-flavoured spirit drinks
Svensk Aquavit/Svensk Akvavit/Swedish Aquavit	Caraway-flavoured spirit drinks
Anís español	Aniseed-flavoured spirit drinks
Évoca anisada	Aniseed-flavoured spirit drinks
Cazalla	Aniseed-flavoured spirit drinks
Chinchón	Aniseed-flavoured spirit drinks
Ojén	Aniseed-flavoured spirit drinks
Rute	Aniseed-flavoured spirit drinks
Ouzo/Oúzθ	Aniseed-flavoured spirit drinks
Berliner Kümmel	Liqueur
Hamburger Kümmel	Liqueur
Münchener Kümmel	Liqueur
Chiemseer Klosterlikör	Liqueur
Bayerischer Kräuterlikör	Liqueur
Cassis de Dijon	Liqueur
Cassis de Beaufort	Liqueur
Irish Cream	Liqueur
Palo de Mallorca	Liqueur

Trademark Name	Product Category
Ginjinha portuguesa	Liqueur
Licor de Singeverga	Liqueur
Benediktbeurer Klosterlikör	Liqueur
Ettaler Klosterlikör	Liqueur
Ratafia de Champagne	Liqueur
Ratafia catalana	Liqueur
Anis portugês	Liqueur
Finnish berry/fruit liqueur	Liqueur
Großglockner Alpenbitter	Liqueur
Mariazeller Magenlikör	Liqueur
Mariazeller Jagasaftl	Liqueur
Puchheimer Bitter	Liqueur
Puchheimer Schloßgeist	Liqueur
Steinfelder Magenbitter	Liqueur
Wachauer Marillenlikör	Liqueur
Jägertee, Jagertee, Jagatee	Liqueur
Pommeau de Bretagne	Spirit drinks
Pommeau du Maine	Spirit drinks
Pommeau de Normandie	Spirit drinks
Svensk Punsch/Swedish Punch	Spirit drinks
Svensk Vodka/Swedish Vodka	Vodka
Suomalainen Votka/Finsk Vodka/Vodka of Finland	Vodka

Source: AGREEMENT between the European Community and the United Mexican States on the mutual recognition and protection of designations for spirit drinks, https://eur-lex.europa.eu/resource.html?uri=cellar:30da3b97-660b-4c8f-8822-4e0c3cda302c.0004.02/DOC_2&format=PDF

Provisional list of 340 products set to be registered as GIs under the modernised EU-Mexico Trade Agreement

Trademark Name	Product Category
AUSTRIA	
Steirischer Kren	Processed F&V

Trademark Name	Product Category
Steirisches Kürbiskernöl	Edible oil
Tiroler Alpkäse; Tiroler Alpkäse	Dairy
Tiroler Bergkäse	Dairy
Tiroler Graukäse	Dairy
Tiroler Speck	Processed meat
Vorarlberger Alpkäse	Dairy
Vorarlberger Bergkäse	Dairy
BELGIUM	
Beurre d'Ardenne	Dairy
Fromage de Herve	Dairy
Jambon d'Ardenne	Processed meat
Pâté Gaumais	Processed meat
Plate de Florenville	Fresh F&V
Vin mousseux de qualité de Wallonie	Wine
Vin de pays des jardins de Wallonie	Wine
Crémant de Wallonie	Wine
Côtes de Sambre et Meuse	Wine
BULGARIA	
Българско розово масло (Bulgarsko rozovo maslo)	Essential oil
Дунавска равнина (Dunavska ravnina)	Wine
Тракийска низина (Trakijska nizina)	Wine
CROATIA	
***and Slovenia	
Istarski pršut / Istrski pršut	Processed meat
Baranjski kulen	Processed meat
Dalmatinski pršut	Processed meat
Drniški pršut	Processed meat
Krčki pršut	Processed meat
Dingač	Wine
CYPRUS	

Trademark Name	Product Category
Γλυκό Τριαντάφυλλο Αγρού (Glyko Triantafyllo Agrou)	Confectionery
Λουκούμι Γεροσκήπου (Loukoumi Geroskipou)	Confectionery
Κουμανδαρία (Commandaria)	Wine
Λεμεσός (Lemesos)	Wine
Πάφος (Pafos)	Wine
CZECH REPUBLIC	
České pivo	Beer
Českobudějovické pivo	Beer
Žatecký chmel	Hops
DENMARK	
Danablu	Dairy
Esrom	Dairy
FRANCE	
Abondance	Dairy
Ail blanc de Lomagne	Fresh F&V
Ail de la Drôme	Fresh F&V
Ail rose de Lautrec	Fresh F&V
Beaufort	Dairy
Bleu d'Auvergne	Dairy
Brie de Meaux	Dairy
Camembert de Normandie	Dairy
Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy)	Processed meat
Cantal / fourme de Cantal / cantalet	Dairy
Chabichou du Poitou	Dairy
Comté	Dairy
Crottin de Chavignol / Chavignol	Dairy
Emmental de Savoie	Dairy
Époisses	Dairy
Fourme d'Ambert	Dairy
Gruyère	Dairy

Trademark Name	Product Category
Huile d'olive de Haute-Provence	Olive oil
Huile essentielle de lavande de Haute-Provence / Essence de lavande de Haute-Provence	Essential oil
Huîtres Marennes Oléron	Molluscs
Jambon de Bayonne	Processed meat
Lentille verte du Puy	Pulses
Maroilles / Marolles	Dairy
Morbier	Dairy
Munster; Munster-Géromé	Dairy
Neufchâtel	Dairy
Noix de Grenoble	Fresh F&V
Piment d'Espelette ; Piment d'Espelette - Ezpeletako Biperra	Spices
Pomme du Limousin	Fresh F&V
Pont-l'Évêque	Dairy
Pruneaux d'Agen ; Pruneaux d'Agen mi-cuits	Processed F&V
Reblochon; Reblochon de Savoie	Dairy
Roquefort	Dairy
Saint-Nectaire	Dairy
Tomme de Savoie	Dairy
Volailles de Loué	Fresh meat
Alsace	Wine
Anjou	Wine
Beaujolais	Wine
Bergerac	Wine
Bordeaux	Wine
Bourgogne	Wine
Cahors	Wine
Chablis	Wine
Champagne	Wine
Châteauneuf-du-Pape	Wine
Cheverny	Wine

Trademark Name	Product Category
Côtes de Blaye	Wine
Côtes de Gascogne	Wine
Côtes de Provence	Wine
Côtes du Rhône	Wine
Côtes du Roussillon	Wine
Floc de Gascogne	Wine
Graves	Wine
Haut-Médoc	Wine
Languedoc	Wine
Mâcon	Wine
Margaux	Wine
Médoc	Wine
Moulis/Moulis-en-Médoc	Wine
Pauillac	Wine
Pays d'Hérault	Wine
Pays d'Oc	Wine
Pessac-Léognan	Wine
Pomerol	Wine
Pommard	Wine
Premières Côtes de Bordeaux	Wine
Romanée-Conti	Wine
Saint-Emilion	Wine
Saint-Estèphe	Wine
Saint-Julien	Wine
Sancerre	Wine
Sauternes	Wine
Touraine	Wine
Val de Loire	Wine
Ventoux	Wine
GERMANY	
Bayerisches Bier	Beer

Trademark Name	Product Category
Bremer Bier	Beer
Dortmunder Bier	Beer
Hopfen aus der Hallertau	Hops
Kölsch	Beer
Kulmbacher Bier	Beer
Lübecker Marzipan	Confectionery
Münchener Bier	Beer
Nürnberger Bratwürste; Nürnberger Rostbratwürste	Processed meat
Nürnberger Lebkuchen	Bakery goods
Schwarzwälder Schinken	Processed meat
Tettninger Hopfen	Hops
Baden	Wine
Franken	Wine
Mosel	Wine
Pfalz	Wine
Rheingau	Wine
Rheinhessen	Wine
Württemberg	Wine
GREECE	
Γραβιέρα Κρήτης (Graviera Kritis)	Dairy
Ελιά Καλαμάτας (Elia Kalamatas)	Fresh / Processed F&V
Καλαμάτα (Kalamata)	Olive oil
Κασέρι (Kasseri)	Dairy
Κεφαλογραβιέρα (Kefalograviera)	Dairy
Κολυμβάρι Χανίων Κρήτης (Kolymvari Chanion Kritis)	Olive oil
Κορινθιακή Σταφίδα Βοστίτσα (Korinthiaki Stafida Vostitsa)	Fresh F&V
Κρόκος Κοζάνης (Krokos Kozanis)	Spices
Λακωνία (Lakonia)	Olive oil
Λέσβος / Μυτιλήνη (Lesvos / Mytilini)	Olive oil

Trademark Name	Product Category
Λυγουριό Ασκληπιείου (Lygourio Asklepiou)	Olive oil
Μανούρι (Manouri)	Dairy
Μαστίχα Χίου (Masticha Chiou)	Spirits
Πεζά Ηρακλείου Κρήτης (Peza Irakliou Kritis)	Olive oil
Πράσινες Ελιές Χαλκιδικής (Prasines Elies Chalkidikis)	Fresh / Processed F&V
Σητεία Λασιθίου Κρήτης (Sitia Lasithiou Kritis)	Olive oil
Φέτα (Feta)	Dairy
Χανιά Κρήτης (Chania Kritis)	Olive oil
Μαντινεία (Mantineia)	Wine
Νεμέα (Nemea)	Wine
Ρετσίνα Αττικής (Retsina of Attiki)	Wine
Σάμος (Samos)	Wine
Σαντορίνη (Santorini)	Wine
HUNGARY	
Szegedi szalámi; Szegedi téliszalámi	Processed meat
Tokaj / Tokaji	Wine
ITALY	
Aceto Balsamico di Modena	Vinegar
Aceto balsamico tradizionale di Modena	Vinegar
Aprutino Pescarese	Olive oil
Asiago	Dairy
Bresaola della Valtellina	Processed meat
Capocollo di Calabria	Processed meat
Coppa di Parma	Processed meat
Cotechino Modena	Processed meat
Culatello di Zibello	Processed meat
Fontina	Dairy
Gorgonzola	Dairy
Grana Padano	Dairy
Mela Alto Adige; Südtiroler Apfel	Fresh F&V
Mortadella Bologna	Processed meat

Trademark Name	Product Category
Mozzarella di Bufala Campana	Dairy
Pancetta di Calabria	Processed meat
Parmigiano Reggiano	Dairy
Pecorino Romano	Dairy
Piadina Romagnola / Piada Romagnola	Bakery goods
Pomodoro S. Marzano dell'Agro Sarnese-Nocerino	Fresh F&V
Prosciutto di Parma	Processed meat
Prosciutto di San Daniele	Processed meat
Prosciutto Toscano	Processed meat
Provolone Valpadana	Dairy
Riso del Delta del Po	Rice
Salamini italiani alla cacciatora	Processed meat
Salsiccia di Calabria	Processed meat
Soppressata di Calabria	Processed meat
Speck Alto Adige / Südtiroler Markenspeck / Südtiroler Speck	Processed meat
Taleggio	Dairy
Toscano	Olive oil
Zampone Modena	Processed meat
Alto Adige / Südtirol / Südtiroler / dell'Alto Adige	Wine
Asti	Wine
Barbaresco	Wine
Barbera d'Alba	Wine
Barbera d'Asti	Wine
Bardolino	Wine
Barolo	Wine
Brachetto d'Acqui / Acqui	Wine
Brunello di Montalcino	Wine
Chianti	Wine
Chianti Classico	Wine

Trademark Name	Product Category
Conegliano – Prosecco / Conegliano	
Valdobbiadene – Prosecco / Valdobbiadene - Prosecco	Wine
Dolcetto d'Alba	Wine
Emilia / dell'Emilia	Wine
Franciacorta	Wine
Lambrusco di Sorbara	Wine
Lambrusco Grasparossa di Castelvetro	Wine
Marca Trevigiana	Wine
Marsala	Wine
Montepulciano d'Abruzzo	Wine
Oltre Pavese	Wine
Prosecco	Wine
Rubicone	Wine
Salento	Wine
Sicilia	Wine
Soave	Wine
Toscana / Toscano	Wine
Trento	Wine
Valpolicella	Wine
Veneto	Wine
Vernaccia di San Gimignano	Wine
Vino Nobile di Montepulciano	Wine
NETHERLANDS	
Edam Holland	Dairy
Gouda Holland	Dairy
Hollandse Geitenkaas	Dairy
PORTUGAL	
Azeite de Moura	Olive oil
Azeite do Alentejo Interior	Olive oil
Azeites da Beira Interior (Azeite da Beira Alta, Azeite da Beira Baixa)	Olive oil

Trademark Name	Product Category
Azeite de Tras-os-Montes	Olive oil
Azeites do Norte Alentejano	Olive oil
Azeites do Ribatejo	Olive oil
Chouriça de Carne de Vinhais; Linguiça de Vinhais	Processed meat
Chouriço de Portalegre	Processed meat
Maçã de Alcobaça	Fresh F&V
Mel dos Açores	Honey
Ovos Moles de Aveiro	Bakery goods
Pêra Rocha do Oeste	Fresh F&V
Presunto de Barrancos / Paleta de Barrancos	Processed meat
Queijo S. Jorge	Dairy
Queijo Serra da Estrela	Dairy
Queijos da Beira Baixa (Queijo de Castelo Branco, Queijo Amarelo da Beira Baixa, Queijo Picante da Beira Baixa)	Dairy
Alentejano	Wine
Alentejo	Wine
Algarve	Wine
Bairrada	Wine
Dão	Wine
Douro	Wine
Duriense	Wine
Lisboa	Wine
Vinho da Madeira / Madère / Vin de Madère / Madera / Madeira Wein / Madeira Wine / Vino di Madera / Madeira Wijn / Madeira	Wine
Oporto / Port / Port Wine / Porto / Portvin / Portwein / Portwijn / vin du Porto / vinho do Porto	Wine
Palmela	Wine
Península de Setúbal	Wine
Pico	Wine
Tejo	Wine

Trademark Name	Product Category
Trás-os-montes	Wine
Vinho Verde	Wine
ROMANIA	
Magiun de prune Topoloveni	Processed F&V
Salam de Sibiu	Processed meat
Telemea de Ibănești	Dairy
Cotești	Wine
Cotnari	Wine
Dealul Mare	Wine
Murfatlar	Wine
Odobesti	Wine
Panciu	Wine
Recaș	Wine
Târnave	Wine
SLOVAKIA	
Vinohradnícka oblasť Tokaj	Wine
SLOVENIA	
***and Croatia	
Istarski pršut / Istrski pršut	Processed meat
Kranjska klobasa	Processed meat
Kraška panceta	Processed meat
Kraški pršut	Processed meat
Kraški zašink	Processed meat
Slovenski med	Honey
Štajersko prekmursko bučno olje	Edible oil
SPAIN	
Aceite del Baix Ebre-Montsià ; Oli del Baix EbreMontsià	Olive oil
Aceite del Bajo Aragón	Olive oil
Antequera	Olive oil
Azafrán de la Mancha	Spices
Baena	Olive oil

Trademark Name	Product Category
Cabrales	Dairy
Cecina de León	Processed meat
Cítricos Valencianos ; Cítrics Valencians	Fresh F&V
Dehesa de Extremadura	Processed meat
Estepa	Olive oil
Guijuelo	Processed meat
Idiazabal	Dairy
Jabugo	Processed meat
Jamón de Teruel / Paleta de Teruel	Processed meat
Jijona	Confectionery
Les Garrigues	Olive oil
Los Pedroches	Processed meat
Mahón-Menorca	Dairy
Pimentón de la Vera	Spices
Pimentón de Murcia	Spices
Polvorones de Estepa	Biscuits / Bakery goods
Priego de Córdoba	Olive oil
Queso Manchego	Dairy
Queso Tetilla / Queixo Tetilla	Dairy
Salchichón de Vic ; Llonganissa de Vic	Processed meat
Sierra de Cádiz	Olive oil
Sierra de Cazorla	Olive oil
Sierra de Segura	Olive oil
Sierra Mágina	Olive oil
Siurana	Olive oil
Sobrasada de Mallorca	Processed meat
Tenera Gallega	Fresh meat
Turrón de Alicante	Confectionery
Alicante	Wine
Bierzo	Wine
Calatayud	Wine

Trademark Name	Product Category
Campo de Borja	Wine
Cariñena	Wine
Castilla	Wine
Castilla y León	Wine
Cataluña	Wine
Cava	Wine
Cigales	Wine
Empordà	Wine
Jerez-Xérès-Sherry	Wine
Jumilla	Wine
La Mancha	Wine
Málaga	Wine
Manzanilla-Sanlúcar de Barrameda	Wine
Navarra	Wine
Penedès	Wine
Priorat	Wine
Rías Baixas	Wine
Ribeiro	Wine
Ribera del Duero	Wine
Rioja	Wine
Rueda	Wine
Somontano	Wine
Toro	Wine
Utiel-Requena	Wine
Valdepeñas	Wine
Valencia	Wine
Yecla	Wine
UNITED KINGDOM	
Scotch Beef	Fresh meat
Scottish Farmed Salmon	Fish
Welsh lamb	Fresh meat

Trademark Name	Product Category
White Stilton cheese; Blue Stilton cheese	Dairy

Source: New EU-Mexico agreement: The Agreement in Principle, IPR chapter.
http://trade.ec.europa.eu/doclib/docs/2018/november/tradoc_157508.%20IPR%20-%20Agreement%20in%20Principle%20.pdf

