EU-Mexico Interim Agreement on Trade

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PURPOSE: to conclude, on behalf of the European Union, the Interim Agreement on Trade between the European Union and the United Mexican States (ITA).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: relations between the European Union and the United Mexican States are currently based on the Economic Partnership, Political Coordination and Cooperation Agreement (known as the Global Agreement), which entered into force on 1 October 2000. Since the Global Agreement's entry into force, the EU and Mexico have deepened their relations. In 2008, the EU and Mexico established a Strategic Partnership, which initiated bilateral dialogue and cooperation in key new policy areas (multilateral issues, security and justice, macroeconomic aspects, and human rights). In June 2015, both parties reaffirmed their commitment to launch negotiations to modernise the Global Agreement and strengthen the strategic partnership. Negotiations were formally launched in May 2016, and the parties reached an agreement on 17 January 2025.

The modernisation of the existing EU-Mexico Global Agreement is structured around two legal instruments:

1) the Political, Economic, and Cooperation Strategic Partnership Agreement (also known as the Modernised Global Agreement – MGA), which will comprise (a) the political and cooperation pillar and (b) the trade and investment pillar (inclusive of investment protection provisions); and

2) the **Interim Agreement on Trade (ITA)**, which covers trade and investment liberalisation.

The ITA is expected to be signed simultaneously with the MGA. The ITA will enter into force following the Parties' respective notifications. The ITA will expire and be replaced by the MGA upon its full entry into force, following its full ratification.

CONTENT: The proposal constitutes the legal instrument authorising the conclusion of the **Interim Agreement on Trade between the European Union and the United Mexican States** (the ITA).

The ITA expands the scope of the current bilateral framework and adapts it to new global political and economic challenges, the new reality of the EU-Mexico partnership, and the level of ambition of recently concluded trade agreements and negotiations between the EU and Mexico. The ITA creates a **coherent, comprehensive, and up-to-date legally binding framework for EU trade relations with Mexico**. It will foster trade and investment by contributing to the expansion and diversification of economic and trade relations. The modernised EU-Mexico Agreement (ITA) aims to strengthen and facilitate trade, protect competition, and promote sustainable development.

The main objectives of the ITA are:

- **Market access**: full liberalisation of over 98.7% of all tariff lines and elimination of 95% of Mexico's remaining tariffs on agricultural products. Additional and more extensive rules will facilitate trade between the EU and Mexico.

- **Rules of origin**: simplification for certain sectors (automotive and pharmaceutical products).

- **Border procedures**: simplified, modern, and, where possible, automated procedures for the efficient and rapid release of goods.

- **Fair trade**: improved disciplines regarding trade remedies, provisions to protect domestic industries in the event that increased imports of a product cause serious injury, and rules on subsidies that contribute to a level playing field between European and Mexican companies.

- **Strengthening trade and investment in critical raw materials**: Maintaining free trade, prohibiting monopolies, and cooperating in value chains.

- **Sustainability and equality**: legally binding commitments on environmental protection, climate change, and workers' rights; provisions for the effective implementation of international obligations on gender equality and women's rights.

- **SMEs**: creation of tools (website, contact points) to facilitate their access to opportunities.

- **Services and digital**: opening of services markets (finance, telecoms, delivery services, and maritime services), digital trade framework, and future recognition of qualifications.

- **Investment**: liberalisation, non-discriminatory treatment, and market access guarantees. In the energy sector, application of the most-favoured-nation principle in past and future FTAs concluded by Mexico.

- **Public procurement**: EU companies can bid for goods and services not only at the federal level, but also in Mexico's most economically important federated states.

- **Intellectual property**: Measures to combat counterfeiting, piracy, and anti-competitive practices, a high level of intellectual property rights (IPR) protection, and reciprocal protection of a selected list of EU and Mexican geographical indications (GIs). In the case of the EU, 336 EU GIs will be protected.

- **Agri-food products**: Numerous special trade facilitation measures (including the elimination of pre-clearance) to enable faster but more secure trade.

- **Dispute settlement**: Modern, efficient, and transparent procedures between states.

The ITA includes a civil society consultation mechanism extended throughout the agreement, as well as a review clause.

Budgetary impact

The ITA would have very limited effects on national and EU budgets, notably due to the loss of own resources in the form of a waiver of customs duties, as the elimination of most customs duties is already provided for in the current global agreement. The loss of customs revenue could amount to approximately **EUR 18.75 million**, taking into account current trade flows. Positive indirect effects are expected in terms of increased revenue from value added tax and gross national income.