



The Food and Beverage Market Entry Handbook: MEXICO

A Practical Guide to the Market in Mexico
for European Agri-food Products



*Promotion of
agricultural
products*



The Food and Beverage Market Entry Handbook

MEXICO

Written by Agra CEAS Consulting

Manuscript completed in February 2022



EUROPEAN COMMISSION

European Research Executive Agency (REA)

Unit B4. Sector 3

European Commission

B-1049 Brussels

European Research Executive Agency (REA)
Promotion of agricultural products

2022

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PDF	ISBN 978-92-9478-788-0	doi: 10.2818/898471	EB-02-21-134-EN-N
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Luxembourg: Publications Office of the European Union, 2022

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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.

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, intellectual property protection, including the status of geographical indications. 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:	130 million (2021) – 10 th largest in the world
Area:	1 943 950 sq. km (750 563 sq. miles)
Political structure:	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
Major languages:	Spanish (Official language) Mexico recognizes 68 indigenous languages.
Major religions:	Roman Catholic (above 80%), Protestant (approx. 10%)
Life expectancy:	74 years (men), 79 years (women)
Currency:	Mexican Peso (MXN); EUR 1 = MXN 23.92 (December 2021)
GDP growth (real):	-8.2 % (2020) (<i>largely attributed to the outbreak of COVID-19; GDP growth in 2019 was -0.1%.</i>)
Exports:	40.1% of GDP (2020)
Imports:	37.9% of GDP (2020)
Main exports*:	Vehicles (24.1%), Machinery including computers (18.1%) , Electrical machinery (17.9%) , Optical , technical , medial apparatus (4.4%) , Minerals including oils (4%)
Main imports*:	Electrical machinery, equipment (21.6%), Machinery including computers (17.2%), Vehicles (8.4%), Minerals including oil (8.4%) , Plastics , plastics articles (5.7%)
Unemployment rate:	3.9% (September 2021)
Labour force:	61.4% (December 2019) (<i>Before the outbreak of COVID-19</i>)
Main industries:	Agriculture: 4 % of GDP Industry: 36.9% of GDP Services: 59.9. % of GDP
Average household income (2019):	EUR 26 870
Household expenditure on food and beverages (2020):	EUR 2 320
Food and beverage market size (2020):	EUR 173 billion

Sources: Euromonitor International: Economies and Consumers, 2021; IMF; UN, World Bank; WHO, OECD.

* Goods only listed

2.1 Country overview: Mexico at a glance

2.1.1 Past economic and political trends

- *The Mexican economy has been mainly based on the manufacturing and oil industries. As the world's seventh-largest producer of oil in the mid-2000s, its reserves have started to decrease rapidly.*
- *After a long period of post-war development, lasting from the 1940s to 1970s (Mexican miracle), Mexico faced deterioration of economic growth and went into crisis in the 1980s to emerge from recession in the mid-1990s, noting a modest growth.*
- *Mexico's GDP plummeted in 2009, as a result of the global financial crisis.*
- *Mexico's economy 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 over in December 2018 after creating his own party: MORENA.*

The *Mexican miracle*, a period between the 1940s and 1970s, brought steady real economic growth of around 3-4% and 3% inflation annually¹. It was caused by the country's development strategy, which included many structural reforms, such as the 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 the 1980s Mexico suffered from the worst recession since the 1930s as a result of falling oil prices, higher world interest rates, rising inflation and an overvalued national currency (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 the early 1990s, the national development plan was implemented, which called for annual GDP growth of 6% by increasing investment and encouraging private investors through denationalisation and deregulation of the economy. In the late 1990s, Mexico started to emerge from its recession, noting modest economic growth. Despite the modest upward trend of the Mexican economy in the early 2000s, its GDP plummeted in 2009, shrinking by roughly 6%, as an aftermath of the global financial crisis² and due to Mexico's high linkages with the US³.

From a political point of view, Mexico was governed by the Institutional Revolutionary Party (PRI) for over 70 years, during which the country experienced both high economic

¹ Growth 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>

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>

progress (the *miracle*), as well as recession times, *circa the* 1980s and early 1990s. The ruling of PRI in Mexico was characterised by rather hegemonic political attributes, with opposition parties posing little or no threat to the federal government⁴. However, given the recession of the late 1980s, the PRI agenda slightly shifted to pro-business and free-market measures, which effectively caused an internal rupture leading to the nomination of Carlos Salinas, a Mexican neo-liberal economist as PRI presidential candidate. Having won the presidency in 1988 he pushed for mass privatisation and free trade economic policies – resulting in Mexico's entry into the North American Free Trade Agreement (NAFTA) and signature of the Global Agreement with the EU. Despite the neo-liberal approach, the PRI ultimately lost the presidential elections in 2000 to a National Action Party (PAN) candidate – Vicente Fox.

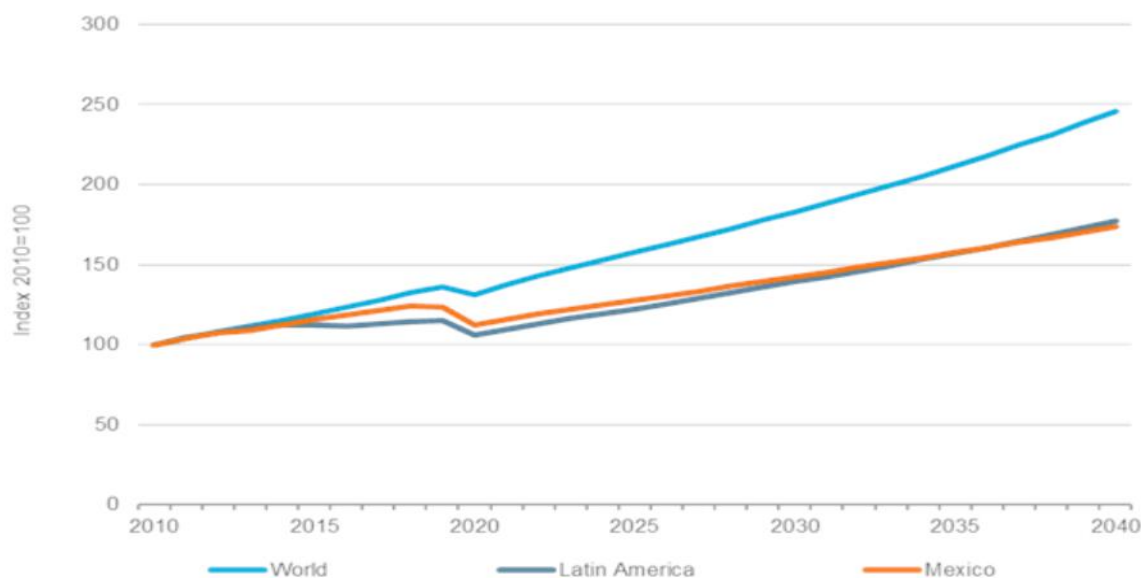
More recently, elections in 2018 brought in the new president Andres Manuel Lopez Obrador who gained the presidency with the leftist Morena party. The party has promised to tackle the privatisation of key Mexican industries and to promote the economic development of Mexico through several investments into the countries communications, tourism and financial sectors, although since 2020 it has had to face the COVID-19 pandemic which greatly impacted the Mexican economy.

2.1.2 Current economic situation and mid-term outlook

- *The Mexican economy was heavily impacted by the outbreak of COVID-19 which saw total GDP growth decline by -8.2% in 2020.*
- *Mexico is party to a new free trade agreement with the USA and Canada known as the Mexico – Canada – USA (USMCA) agreement. This agreement came into force in July 2020 and substituted the previous NAFTA.*
- *The economy is heavily influenced by external factors, such as demand for Mexican goods and services from the US and the wider world. Demand is expected to rebound as the global economy reopens post-COVID-19.*
- *The economy is forecasted to return to growth in 2022 aided by a growing re-opening of many vital sectors of its economy including its tourism, industrial and services sectors.*

As presented in Figure 2-1, a notable decline in GDP growth took place in Mexico in 2020 due largely to the outbreak of COVID-19 which saw the economy contract by -8.2%. A fall in tourism, cross-border trade with the US and a global fall in demand for Mexican goods such as oil further explains this drastic decline in GDP growth. As of late 2021, GDP growth has remained sluggish, however, the economy is forecasted to return to growth in 2022 and 2023. In 2020, the entry into force of a new FTA agreement with the US and Canada, known as the US-Canada-Mexico Agreement (USMCA), substituted the previous NAFTA Agreement. The new agreement retains many provisions which were present in the previous NAFTA Agreement.

⁴ Institutional Revolutionary Party (PRI): <http://countrystudies.us/mexico/84.htm>

Figure 2-1: Real GDP Growth and forecasted GDP growth in Mexico: 2010-2040

Note: Data for 2022-2040 is forecast.

Source: Euromonitor International: Economies and Consumers, 2021

The Mexican economy is forecasted to return to growth in 2022 and 2023 aided by the return of tourism to the country which was heavily impacted by the outbreak of COVID-19. A rise in demand for Mexican raw mineral resources and industrial goods globally will further aid the economy as will a rise in cross-border trade with the US.

2.1.3 Population trends

- *The population of Mexico has been steadily growing, rising from 103 million in 2000 to 131 million in 2021. The pace of population growth, however, has been slowing down.*
- *Mexico is the highest populated Spanish speaking country in the world. The main ethnic groups 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 group is females and males aged 25-54, and life expectancy is 74 years (men) and 79 years (women).*

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

Fertility in Mexico is 2.1 births per female and has been falling since the 1980s; this has coincided with the introduction of family planning and change in family values⁵¹². However,

⁵ Euromonitor International: Economies and Consumers, 2021

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.

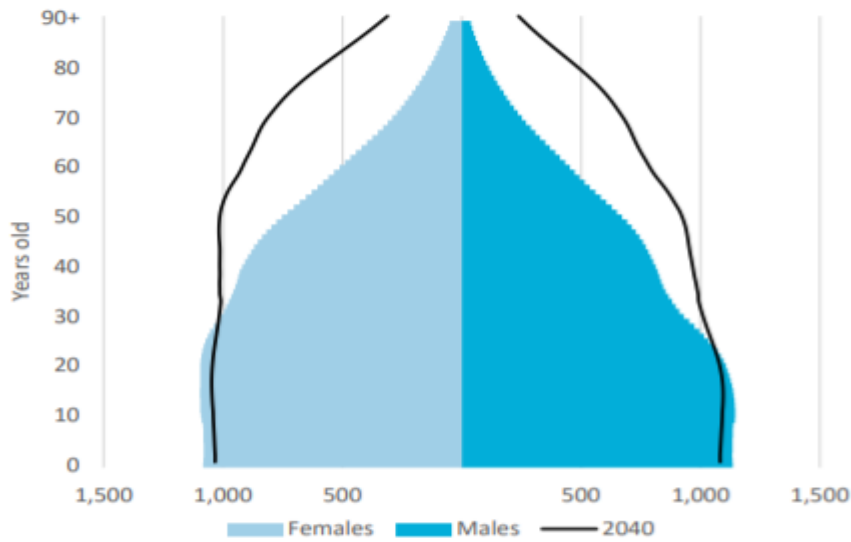
Figure 2-2: States of Mexico by population



Source: Agra CEAS based on various

As seen in Figure 2-3 Mexico’s population 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.

Figure 2-3: Age pyramid in 2019 and 2040 in Mexico



Note: Data for 2040 is forecast

Source: Euromonitor International from national statistics/UN, 2020

2.2 Geography and key markets

Mexico is a federation of thirty-one states and its capital Mexico City, which ultimately form a union. Each State forms its 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.

Figure 2-4: 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

2.2.1 Overview of urban markets

Mexico's population is largely urbanised with around 80% of the total population living in urban centres⁶, the majority of which are located in central Mexico. Mexico's population by State is presented in Figure 2-2. Mexico's capital – Mexico City is among the 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 capitals are presented in Table 2-1.

Table 2-1: States and state capitals of Mexico

State	Capital
Aguascalientes	Aguascalientes
Baja California	Mexicali
Baja California Sur	La Paz
Campeche	San Francisco deCampeche
Chiapas	Tuxtla Gutiérrez
Chihuahua	Chihuahua
Coahuila	Saltillo
Colima	Colima
Durango	Victoria deDurango
Guanajuato	Guanajuato
Guerrero	Chilpancingo delos Bravo
Hidalgo	Pachuca
Jalisco	Guadalajara
Estado de México	Toluca de Lerdo
Mexico City (Federal District)	-
Michoacán	Morelia
Morelos	Cuernavaca
Nayarit	Tepic
Nuevo León	Monterrey
Oaxaca	Oaxaca de Juárez
Puebla	Puebla de Zaragoza
Querétaro	Santiago de Querétaro
Quintana Roo	Chetumal
San Luis Potosí	San Luis Potosí
Sinaloa	Culiacán
Sonora	Hermosillo
Tabasco	Villahermosa
Tamaulipas	Ciudad Victoria
Tlaxcala	Tlaxcala
Veracruz	Xalapa
Yucatán	Mérida
Zacatecas	Zacatecas

Source: Agra CEAS based on various

⁶ The World Bank, urban population (% of total population) in Mexico, available at: <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=MX>

In Mexico, there are 10 cities with populations above 1 million inhabitants and above 120 cities with populations oscillating between 100 000 and 1 million. The major urban centres of Mexico are depicted below in Figure 2-5.

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

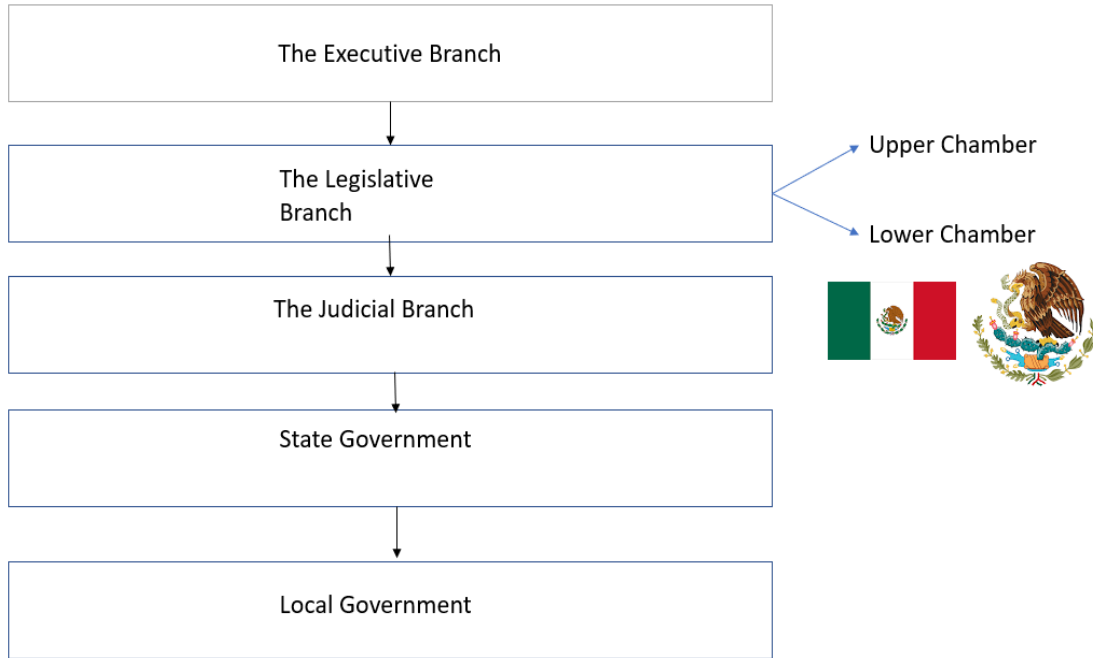


Source: Agra CEAS based on various

Mexico is a federal republic comprised of 31 states and the federal district of Mexico City. Government powers are divided between the executive, legislative and judicial branches. The federal constitution delegates several powers to the 31 states and the Federal District (Mexico City), including the ability to raise local taxes. Moreover, state constitutions follow the model of the federal constitution in providing for three independent branches of government—legislative, executive, and judicial. The legislative branch is divided into an upper house, the Senate, and a lower house, the Chamber of Deputies. Senators serve six-year terms and deputies a three-year term. The judicial system consists of several courts, including the Supreme Court of Justice, whose 11 members are nominated by the president and confirmed by Congress; the Electoral Tribunal, which is sworn to oversee elections; the Federal Judicial Council; and numerous circuit and district courts ⁷.

⁷ Government and society of Mexico, Britannica, available at: <https://www.britannica.com/place/Mexico/Government-and-society>

Figure 2-6: Overview of the political structure of Mexico



Source: Agra CEAS based on various

2.2.2 Snapshots of important markets

Figure 2-7: Location of focus markets



Source: Agra CEAS

Mexico City



Key facts (2020):

Total GDP:	<i>EUR 235 billion</i>
Real GDP growth:	<i>1.3%</i>
Population:	<i>21.8 million (greater metropolitan area)</i>

Mexico City is the country’s economic hub with a variety of services, 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 characterised by its highly diverse population with a large percentage of various foreign inhabitants.

There are over 100 industrial parks located in the Metropolitan Mexico City, with particular concentration in the municipalities of Cuautitlan Izcalli, Tultitlan and Tepotzotlan. Moreover, the nearby free trade zone of 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 employment in the commerce sector, followed by public and business services.

The city grew substantially in recent decades and today, if the city was an independent state, it would still be the fifth-largest economy in Latin America. The city’s economy did however decline between 2020 into 2021 largely due to the outbreak of COVID-19 which severely impacted the services sector in particular.

Almost 70% of the city’s inhabitants are aged between 15 and 64, constituting a larger working-age group than in the country (65%). In terms of income inequality, Mexico City is fairly representative of Latin America as a whole. Housing accounts for 21% of the household budget, followed by food and non-alcoholic drinks (20%) and transport spending (20%).

Sources: Sources: Euromonitor International: Cities, 2020; Mexico City (Distrito Federal): <https://www.history.com/topics/mexico/distrito-federal> About Mexico, Intertraffic, available at <https://www.intertraffic.com/mexico/your-trip>. , Your ultimate guide to the best authentic foods in Mexico city, authentic food quest, available at <https://www.authenticfoodquest.com/best-food-in-mexico-city/>

Guadalajara



Key facts (2020):

Total GDP:	<i>EUR 40 billion</i>
Real GDP growth:	<i>2.3%</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 in the 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 programming⁸. The city has started to attract more foreign companies, keen on establishing their facilities. Moreover, due to its increasingly cosmopolitan character, the city has become more appealing to investors.

The city offers access to many educational facilities, which in effect shapes its educated and skilled workforce. The infrastructure of Guadalajara ensures a smooth connection with other parts of the country, including the capital – Mexico City. The political stability of the State is also noticed, as successive authorities have been focusing on the 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: Guadalajara Mexico, everything you need to know, Tellanto, available at <https://tellanto.com/guadalajara-mexico-everything-need-know/>, Introduction to Guadalajara, Lonely planet, available at <https://www.lonelyplanet.com/a/nar/8a20e718-4c82-4b00-8ea9-847a41e98769/361671>, 7 dishes you have to try on your visit to Guadalajara, culture trip, available at <https://theculturetrip.com/north-america/mexico/articles/7-traditional-dishes-you-have-to-try-on-your-trip-to-guadalajara/>

⁸ How Guadalajara reinvented itself as a Technology Hub: <https://www.smithsonianmag.com/innovation/how-guadalajara-reinvented-itself-technology-hub-180969314/>

Monterrey



Key facts:

Total GDP (current prices):	<i>EUR 26 billion (estimated)</i>
Real GDP growth (2020):	<i>2.1%</i>
Population:	<i>4.6 million (Metro)</i>

Monterrey is one of the wealthiest cities in Mexico, in terms of per capita income. Moreover, it is also perceived as the most “Americanised” city in the country. In recent years due to the reduction of crime in the area, Monterrey’s development has grown, especially around technology and related industry – materials or biotech. At the same time, the software industry’s development has increased 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. The industry sector is primarily focused on engineering and innovation, which also includes developing human talent – often run by structured entities such as the Monterrey IT Cluster.

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.

Famous dishes often associated with Monterrey include dishes such as Machaca (*sun-cured meat*), *Carne Asada* (barbecued meats) and *Frijoles con Veneno* (Bean dish). Monterrey foods are popular particularly in Northern Mexico and many food innovations coming from the city will reverberate across the wider northern Mexican region.

Sources: 5 foods you have to try in Monterrey, Traveller Marriott, available at <https://traveler.marriott.com/eat-and-drink/monterrey-mexican-food/>, Nuevo Leon-Monterrey, Visit Mexico, available at <https://www.visitmexico.com/en/nuevo-leon/monterrey>, introduction in Monterrey, lonely planet, available at <https://www.lonelyplanet.com/mexico/monterrey/planning/introduction/a/nar/4d5f8aa7-bd9b-4c5e-8cfd-79489cb9a2b2/361558>

Puebla



Key facts 2020

Total GDP (current prices):	<i>EUR 23 billion(estimated)</i>
Population:	<i>1.7 million (3.2 million metro)</i>

Puebla, city located on southeast from Mexico City, is now 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.

However, Puebla has been a city of historical importance. Lying on the route between the Caribbean coast and Mexico city, it was one of the largest cities in colonial Mexico and the site of the historically important 5 de Mayo (5th May) battle in 1862. 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 city. The historic district of colonial city – unsurprising given the city’s history - 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

Cancun



Key facts:

Total GDP (current prices): EUR 33 billion

Population: 8.3 million (Metro)

Cancun is a major touristic city located along the Caribbean Sea towards the southeast of Mexico on the Yucatan peninsula. The city is known for its picturesque beaches and proximity to Mayan heritage sites such as Chichen Itza which further draws tourism to the city. Before the outbreak of COVID-19, it was estimated that well over 10 million tourists arrived in Cancun and the wider region on an annual basis of which many included visitors from Europe. Spanish, French and German tourists were amongst the larger groups visiting the city.

Within Cancun, many channels for the sale of EU food and beverage products exist, including several Irish bars, French restaurants which are particularly numerous and Italian. While total visitors to the city have declined in recent years due to the outbreak of COVID-19, it can be expected that a rebound of tourism should occur once major restrictions are lifted.

Many EU cities such as Paris, Madrid and Lisbon have the option of direct flights to the city which further reflects the city’s popularity amongst EU visitors. The city has also emerged as an ideal retirement location for many Europeans in recent years and has been popular with American retirees for decades, due to the lower costs of living combined with generally year-round sunshine (except occasional hurricanes).

In the south-east Mexican region in general, Cancun and the surrounding regions adjacent to the city stand as the more targeted hotspots for EU producers exporting to Mexico, which is fuelled largely by tourism.

Sources: Introduction in Cancun, lonely planet, available at <https://www.lonelyplanet.com/a/nar/fb806373-da25-4e72-84da-247b128b336b/361687>, Cancun receiving a record number of tourists despite recent incidents, travel off the path, available at <https://www.traveloffpath.com/cancun-receiving-record-number-of-international-visitors-despite-recent-incident/#:~:text=Over%2015%20million%20tourists%20visit,Caribbean%20every%20year%20without%20incident>.

2.3 Domestic agricultural production and regions

Mexico incorporates a wide variety of various climates and biomes which allows for the diverse production of several agricultural products. Mexico's main crops include grains such as corn, wheat and tropical fruits as well as vegetables and coffee. As the country borders the US, it is estimated that roughly 82% of Mexican agricultural exports go to the US⁹. Commercial agricultural products come largely from three areas of the country: the tropics of the Gulf of Mexico, the irrigated lands in the north of the country and the Bajío region in central Mexico.¹⁰

Irrigation plays a large role in agricultural production throughout Mexico, with an estimated 20% of Mexican fields being irrigated. This allows for water-intensive crops, such as cotton, which is produced throughout northern Mexico. Agricultural land in Mexico is typically either privately owned or managed in the form of a collective known locally as an "ejido agreement" which comprises small plots worked on by families.

Livestock accounts for roughly 30% of Mexico's agricultural output, which includes the production of milk, poultry, eggs and beef. The north of Mexico along the border with the US states of Texas and Arizona is home to some of the larger livestock farms found in Mexico.

The main crops produced for export in Mexico are sugar, coffee, fruit and vegetables, which are largely exported to the US. Mexico is not self-sufficient in meat and dairy, requiring the country to import these products from abroad. An overview of the various agricultural products produced in Mexico's states is provided below in Figure 2-8.

⁹ Mexico trade and FDI, USDA, available at <https://www.ers.usda.gov/topics/international-markets-u-s-trade/countries-regions/usmca-canada-mexico/mexico-trade-fdi/>

¹⁰ Mexico country commercial guide, Trade.gov, available at <https://www.trade.gov/country-commercial-guides/mexico-agriculture>

Figure 2-8: Agricultural products commonly associated with the states of Mexico



Source: Agra CEAS based on various sources.

Note: products are indicative of the agricultural products which are among those most commonly associated with the state due to their levels of production rather than a definitive list, and there are many states which produce large volumes of multiple agricultural 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

As noted in section 2.3, Mexico can produce a wide variety of crops and other agricultural products due to the country being home to a diverse climate and the wide-scale use of irrigation practices throughout the country. About 12.3% of Mexico's landmass is arable¹¹, with a land area of around 23.9 million hectares, which ranks the country amongst the world's top 20 largest countries by total arable land. Despite being a large producer of livestock, dairy and grains, the country remains not self-sufficient in the production of these products and as a result is a large importer of these products.

Mexico has a large food processing industry with the country exporting a total of EUR 5.1 billion worth of processed foods in 2020. In 2020, the Mexican food processing industry ranked as the 11th largest in the world and the 3rd largest in the Americas behind the US and Brazil. Around 90% of the ingredients used in the Mexican food processing industry are sourced locally, with the remaining 10% coming from a variety of countries which include the US, Canada and Ireland.¹²

Food and beverage manufacturing as a whole in Mexico is estimated to account for just under 5% of the country's GDP. Foreign direct investment (FDI) into the Mexican food sector amounted to 7.4% of total FDI into the country in 2020.¹³

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 US, which accounts for some 68% of agricultural imports, with corn, livestock and other animal products and soybeans being the largest three sub-sectors.¹⁴

In terms of agri-food trade with the EU, Mexico is a marginal net importer, with the value of EU exports to Mexico increasing fairly consistently over the 2010 to 2020 period to reach EUR 1.3 billion (Figure 3-1).

¹¹ Mexico- arable land, trading economics, available at: <https://tradingeconomics.com/mexico/arable-land-percent-of-land-area-wb-data.html>

¹² USDA GAINS Reports 2021, Food Processing Ingredients in Mexico, available at: <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Food%20Processing%20Ingredients>.

¹³ Based on <https://www.inegi.org.mx/temas/pib/> and Mexico food and beverage sector report 2020/2021, EMIS, available at: https://www.emis.com/php/store/reports/MX/Mexico_Food_and_Beverage_Sector_Report_20202021_en_695982655.html

¹⁴ Mexico trade and FDI 2020, USDA Economic research service, available at: <https://www.ers.usda.gov/topics/international-markets-us-trade/countries-regions/usmca-canada-mexico/mexico-trade-fdi/>

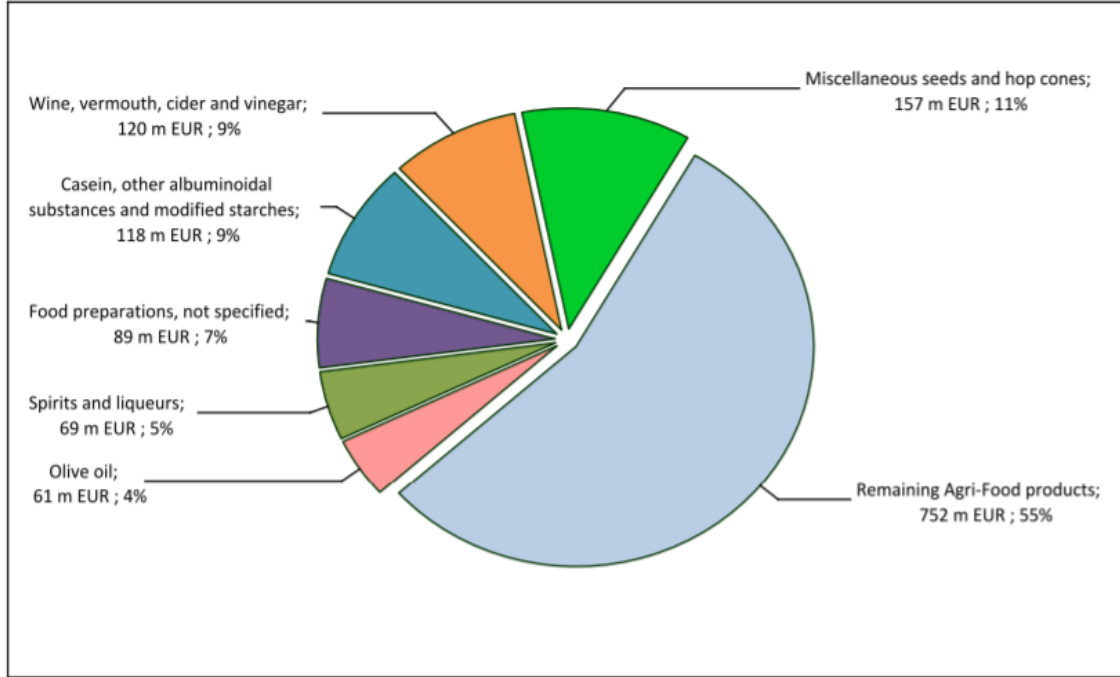
Figure 3-1: Structure of EU-27 (i.e. excl. the UK) agri-food trade with Mexico, 2010 to 2020 (EUR million)



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

Key EU exports to Mexico, in addition to miscellaneous seeds and hop cones, include; and wine, cider and vermouth (8.8%); casein / other albuminoidal substances (8.6%); non-specified food preparations (6.5%); and spirits and liqueurs (5%). Notable categories captured under “remaining agri-food products” include gums, resins and plant extracts, pet food, olive oil and cheese (Figure 3-2).

Figure 3-2: Top EU-27 agri-food exports to Mexico in 2020



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 demand for food. Four categories account for around half of agri-food and seafood imports in value terms: meat; cereals; oilseeds; and the combined category of dairy, eggs and honey¹⁵. 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. Mexico is also a small importer of sugar, processed coffee and tropical fruits, despite being a relatively large producer of these products in unprocessed form.

The US and to a lesser extent Canada and Chile largely address any market supply shortages in the Mexican market across most agri-food product categories. However, there is an opportunity for EU producers to focus on targeting higher-income earners or consumers seeking high-quality products.

¹⁵ Mexico country commercial guide, US International trade commission, available at: <https://www.trade.gov/country-commercial-guides/mexico-agriculture>

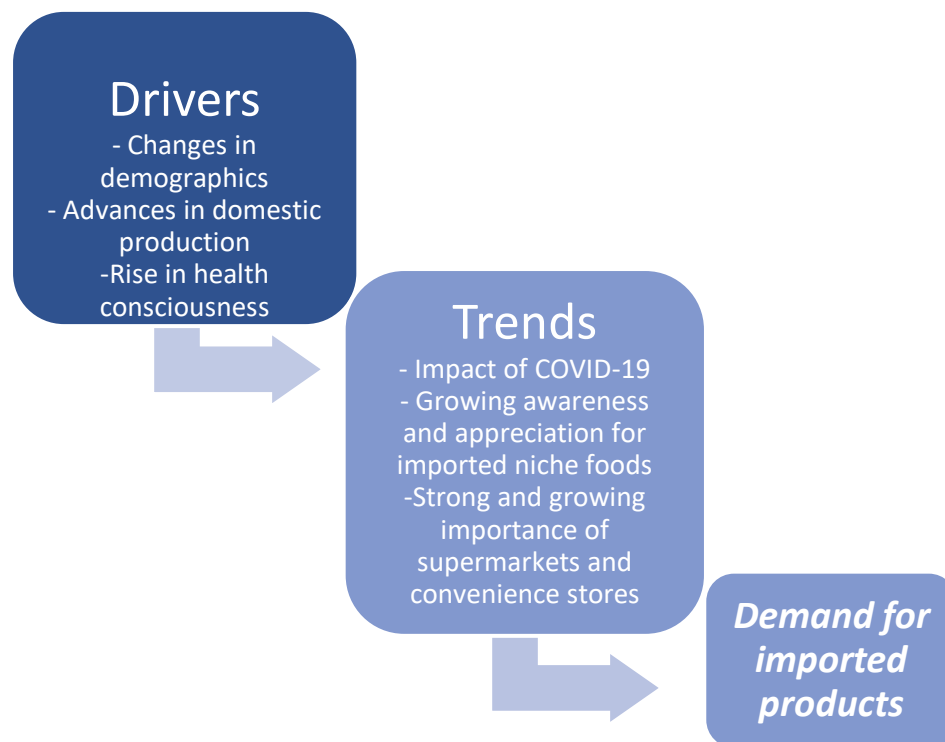
3.2 Growth Drivers and Trends

The key factors affecting Mexico's 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; it currently stands at the replacement rate of 2.1 births per woman but is forecasted to fall below this level in upcoming years. This will have a prolonged impact on the total population of the country.
 - 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 patterns¹⁶.
- **Advances in domestic agri-food production** – as noted above, considerable efforts have been put into increasing domestic agri-food production in recent years. Subsequently, the volume of food produced in Mexico has grown in recent years with livestock, dairy, and fruit and vegetable products, in particular, expanding in production in the country. The outbreak of COVID-19 further led to a renewed appreciation for Mexican products: due to the economic impact of the pandemic in the country, consumers increasingly bought local products to support the local economy.
- **Rise in health consciousness** – The outbreak of COVID-19 has resulted in the consumer base of the country becoming more health-conscious in recent years.

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

¹⁶ Euromonitor international: Consumer lifestyles in Mexico, 2021

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

Source: Agra CEAS based on European Commission agri-food factsheet; Euromonitor International, and various (see footnotes).

In terms of current trends, the following stand out:

- **Impact of COVID-19.**– The continued effects of the outbreak of COVID-19, combined with enhanced awareness surrounding the food content of foods due to a new mandatory nutritional labelling requirement in Mexico, has pushed demand for healthier foods in the country. Mexican consumers are increasingly seeking out foods with a low fat, low sodium or low sugar content. There has also been a notable rise in demand for organic foods and gluten-free products.
- **Growing awareness and appreciation for imported niche foods** – Mexican consumers are increasingly seeking out foods that have traditionally not been mass consumed in the country; this is reflected in recent demand for products such as mutton, cherries and processed French fries, which is expected to grow further in coming years.¹⁷ While many imported food trends are influenced by the influx of US exports, EU producers stand to succeed through marketing their high-quality products, which appeals to a segment of the Mexican consumer base.
- **The 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 are being used by most segments of society. However, the growth in the middle class has provided a further boost to the importance of these channels. The outbreak of COVID-19 further resulted in many

¹⁷ Euromonitor International, Mexico sector overview for Fresh Food (2021).

of these retail outlets expanding their presence into the E-commerce space allowing for further business expansion in Mexico.

3.3 Consumer profiles and preferences

3.3.1 Consumer profiles

Consumer groups in Mexico can be divided based on income¹⁸ as follows:

- **Affluent/high earners** (5 to 10 million approx.; with under 3 million falling into the class of very wealthy). This group broadly corresponds to the AB socio-economic class, which has an average household income of over 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 gourmet shops, but increasingly also purchase products overseas in some cases. Exclusivity can be an important criterion in the purchase decision. As organic products are expensive in Mexico, this income class accounts for a large percentage of sales of these products. Generally, this consumer group tends to live in larger urban centres where the capacity to continue to generate revenue is higher.
- **Middle class** (50 million approx. / over 15 million 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, their price sensitivity means their consumption can be cyclical (in periods of income falls or uncertainty, imported products will be towards the top of the items they stop purchasing).
- **Lower purchasing power consumers** (60 million approximately). A large group spans from those who 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 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 their purchasing decision.

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

¹⁸ <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>

groups¹⁹:

- **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 10 million Mexicans in this age range are single. Both these demographic groups 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 children, those with school-age children over the age of eight 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

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 / 5 pm), 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*)²⁰.

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 and sour tastes. Indigenous ingredients remain important in 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 modern-day cuisine, with an average annual consumption of 13 to 17 kg 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

¹⁹ Euromonitor international: Consumer lifestyles in Mexico, 2021; <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>

²⁰ <https://ixtapacantina.com/mexican-eating-habits-you-didnt-know-about/>; <https://www.tripsavvy.com/meals-and-mealtimes-in-mexico-1588864>

their food²¹.

Festivals and holidays

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.

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

²¹ <http://latinamericanhistory.oxfordre.com/view/10.1093/acrefore/9780199366439.001.0001/acrefore-9780199366439-e-260> ; <https://www.mexico.mx/es/articulos/gastronomia-mexicana-limon-ingrediente/> ; <https://www.yucatan.com.mx/imagen/92-los-mexicanos-acompana-alimentos-salsa>

4 Market access and entry

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

4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Well-developed logistical services and transportation infrastructure. ▪ High concentration of consumers within urban centres of the country (Mexico City, Monterrey, Guadalajara etc). ▪ Cultural overlap with EU consumers relating to language (Spanish), celebrations (Christmas) and certain consumption patterns. 	<ul style="list-style-type: none"> ▪ The US dominates exports of agri-food products to Mexico. ▪ Length of time to obtain a sanitary license, in particular, can be a major barrier to overcome for exports. ▪ Some challenges relating to IPR and GI protection are likely to be addressed once modernised EU-Mexico FTA is in place.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ EU-Mexico modernised FTA enhancing the protection of GIs, ensuring duty-free import of most EU products and alleviating SPS barriers for fruit, vegetables and animal product imports. ▪ Increasing demand for healthy products of high quality in the market. ▪ Continued modernisation of retail channels including most notably and increase in purchases through super and hypermarkets. 	<ul style="list-style-type: none"> ▪ Mexican domestic production expanding across a large range of agri-food products, which has been compounded by the increase in demand for domestic products to support the economy recover from the effects of the COVID-19 pandemic. ▪ Federal states retain autonomy on certain taxation policies and can implement discriminatory taxation policies against EU products as seen recently in Michoacán concerning spirits. ▪ Talk of limiting imports from the current administration, although no concrete moves made so far.

4.2 Food and beverage legislation and regulations

Mexico has had a free trade agreement with the EU since the year 2000 and both parties are currently in the process of ratifying a modernised adaptation of this trade agreement which promises additional removal of tariffs and customs checks. The FTA agreement is being modernised to adapt its legal framework to the challenges of the 21st century. Both Mexico and the EU began negotiations for the modernisation of the existing FTA in 2016

with an agreement in principle being reached in 2018. As of the time of writing, the ratification of this new agreement remains in progress.

Key aspects of the modernised FTA agreement include the removal of high Mexican tariffs on European food and drinks. This will drastically enhance opportunities in the Mexican market for EU exporters, once the FTA is ratified by both parties. The EU products most likely to benefit from tariff removal include dairy, pork, poultry and many processed products. Other elements of the modernised FTA that will benefit EU food and beverage exporters include improved GI protection (with an expanded list of GI products), as well as increased cooperation in the areas of customs procedures, international product standards, testing, marking and sanitary and phytosanitary (SPS) requirements.

Under the current FTA agreement in place 65% of agri-food products were liberalised, meaning there is still a fair proportion of EU food and beverage products without preferential access to the Mexican market.

To export to Mexico, exporters first need to register with the national Mexican importer's registry (*Padrón de Importadores*) which can be done electronically online following the link below:

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

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

(Form only available in Spanish)

The general documentation requirements for shipments to Mexico are set out in Table 4-1. A summary of specific requirements by food and beverage type covered in this Handbook is set out in Table 4-2, with further explanations regarding some of the general registration/notification requirements for food products provided thereafter. As a general rule, documents on the exporter side can be in English, French in some cases as outlined below and Spanish.

Exporters have stated that obtaining the sanitary license, in particular, can be a costly and often cumbersome process that can take several years in the more extreme cases. Once the sanitary license is obtained, there are no major concerns in obtaining the remaining certificates required to export to Mexico.

Table 4-1: General requirements for products exported to Mexico (including F&B)

Name	Description (a)	To be prepared by	Language
Bill of Lading (<i>Conocimiento de Embarque</i>)	A document containing the details of the international transportation of products by sea; if the carrier is not the owner of the products, the appropriate document is the Sea Waybill. For products transported by air, the appropriate document is the Air Waybill; If two or more modes of movement are combined in one transport operation, a Multimodal or Combined Transport Document is may replace the ocean or marine bill of lading. The information given in this document is used for submitting the Summary Declaration at the (first) customs office of entry for customs clearance.	Carrier (or his agent)	ES/EN/FR (If a bill of lading is not submitted in either English or French then it must be in Spanish)
Air Waybill (<i>Guia Aerea</i>)	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipments of products. The information given in this document is used for submitting the Summary Declaration at the (first) customs office of entry for customs clearance. The responsible authority is the general customs administration assigned to the tax administrative services.	Carrier (or his agent)	EN/ES
Commercial Invoice (<i>Factura comercial</i>)	A document (e.g. Pro Forma Invoice, freight invoice, consular invoice or legalised invoice) for the shipment of products of a higher value than 300 USD (264 EUR). The document is to be submitted electronically via the Mexican single window of foreign trade (VUCEM) before the customs clearance of the products. An electronic signature is also required. The document can be prepared in English, French or Spanish.	Exporter	ES, EN or FR
Packing List (<i>Lista de Embarque</i>)	A document containing the details of the shipment and serving as a basis for the customs treatment of products. This document may be required for customs clearance, if the commercial invoice contains all the specifications usually presented in a packing list then a separate packing list is not required.	Exporter	ES, FR or EN
Proof of preferential origin	A document proving the preferential origin of a product to be imported. Formal proofs of preferential origin are usually issued by competent customs authorities. Click the link shown here to access an example form for EU proof of preferential origin: https://trade.ec.europa.eu/access-to-markets/en/results?product=15161001&origin=AT&destination=MX	Exporter	EN/ES

Name	Description (a)	To be prepared by	Language
Customs Import Declaration (<i>Pedimento de importacion/Documento de operacion para despacho aduanero (DODA)</i>)	Official form for the customs clearance of goods: usually submitted electronically via a unified web service.	Customs agent	ES
Declaration of dutiable Value (<i>Manifiestacion de valor</i>)	A document containing all information for the assessment of the dutiable value of a shipment, which is required for customs clearance	Customs agent	ES
Movement Certificate (A.TR)	A document confirming that the goods covered by it are in free circulation within the customs union of the European Union (EU) and Turkey. (A.TR) does not depend on or state the preferential origin of the goods. It may be used for goods produced within the EU as well as for those imported from third countries that have been cleared for free circulation in the EU. <i>Although only required if the importer applies for the duty-free entry of goods in free circulation, this document is important as it may avoid the double payment of duties.</i>	Exporter	EN
Certificate of Non-Preferential Origin (<i>Certificade de origen</i>)	A document confirming the non-preferential origin of the goods to be imported. This requirement is needed for the importation of specific animal and plant products. It may be furthermore required by the importer, by the customs authorities or by other authorities involved in the importation process. It will likely be required should a customs official doubt the origin of the good.	Issued by the competent chamber of commerce	ES/EN
Control Certificate for Agricultural Products	A document certifying that the importation of various agricultural products - including animal products and products used in the feed or food industry - has been approved. Depending on the kind of product, the document is a prerequisite for the Certificate of Conformity for Agricultural Products .	Issued by the competent Chamber of Commerce	ES/EN

(a) *Template forms and/or information required is provided on Access2Market.*

(b) *Freight forwarders may require that the Air Waybill contains the information which is prescribed for the Summary Declaration, e.g. the Tax Identification Number of the consignee and the tariff code of the commodity (see Summary Declaration).*

Source: European Commission Access2Market

Table 4-2: Specific market entry requirements mapped to Handbook categories

Name and description (a)	Fresh meat	Fresh F&V	Dairy	Alcohol (spirits, wine, beer)	Olive oil	Chocolate/ Confectionery	Processed F&V	Pasta	Baked goods	Processed Meat	Fruit juice	Live plants	Honey
Application sheet for Zoosanitary requirements. A document used to apply for zoosanitary import requirements at the General Directorate of Animal Health (DGSA) for live animals, products of animal origin as well as for biological, chemical and pharmaceutical products and feed for animals.	X	X	X			X	X	X	X	X		X	X
Import certificate for live animals and animal livestock. A document confirming that live animals, products of animal origin as well as biological, chemical and pharmaceutical products and feed for animals to be imported have been inspected and comply with the applicable zoosanitary requirements.	X		X			X		X	X	X			X
Free sale certificate. A document confirming that the products in question are freely sold in the country of export.	X		X					X	X	X			X
Veterinary health certificate for animal products. A document confirming that products of animal origin to be imported have been inspected according to appropriate procedures, are not contaminated do not carry any contagious diseases and are considered to conform with the current veterinary regulations of the importing country. Depending on the type and origin of the products, the certificate may also have to be generated electronically by the	X		X					X	X	X			X

Name and description (a)	Fresh meat	Fresh F&V	Dairy	Alcohol (spirits, wine, beer)	Olive oil	Chocolate/ Confectionery	Processed F&V	Pasta	Baked goods	Processed Meat	Fruit juice	Live plants	Honey
responsible veterinarian through the European Trade Control and Expert System (TRACES).													
Sanitary license. A document proving that its bearer is authorised to import and deal in (i.e. manufacture, elaborate, formulate or supply) goods regulated by the Federal Commission for the Protection Against Sanitary Risks (COFEPRIS).			X									X	
Sanitary Import permit for products subject to sanitary surveillance. A document permitting the actual importation of products subject to sanitary surveillance.			X									X	
Phytosanitary certificate. A document confirming that plants and plant products to be imported have been inspected according to appropriate procedures, are free from quarantine pests and practically free from other injurious pests and are considered to conform with the current phytosanitary regulations of the importing country.		X				X	X					X	
Import certificate for plants and plant products. A document confirming that plants or plant products to be imported have been inspected and are free from quarantine pests and practically free from other injurious pests.		X					X						
Certification of labels. A document certifying that the label of a product complies with the Mexican labelling standards (i.e. the respective NOMs) and has been approved correspondingly.			X	X	X		X	X	X		X		X

Name and description (a)	Fresh meat	Fresh F&V	Dairy	Alcohol (spirits, wine, beer)	Olive oil	Chocolate/ Confectionery	Processed F&V	Pasta	Baked goods	Processed Meat	Fruit juice	Live plants	Honey
Certificate of Analysis. Certifies that microbiological and physical/chemical tests have been carried out by a duly accredited laboratory in the country of export. The Mexican authorities accept certificates issued by an appropriate and duly accredited laboratory of the country of export if all the information required is provided			X				X	X	X				X
Registration of importers of alcoholic and alcoholic beverages. A document confirming that importers of alcoholic beverages, alcohol, denatured alcohol or non-crystallising honeys have been registered with the Tax Administration Service (SAT).				X									

(a) Template forms and/or information required is provided on Access2Market.

Source: Agra CEAS based on: European Commission Access2Market; MADB.

4.2.1 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 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 for 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 the requirements for processing, manufacturing, mixing, conditioning, packaging, storage, distribution, handling, transport of food and beverages as well as their raw materials and additives, in order to reduce health risks for consumers.

Its also sets out hygienic and sanitary requirements for the provision of:

- Raw materials, manufacturing and transport conditions
- Workers coming to direct contact with food;
- Physical installations which are likely to help contaminant 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 zoonosanitarias*). 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 5.1.4 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*). There are inspection requirements for production sites of fruit and vegetable imports; under these, producers are annually inspected by Mexican officials at origin (preclearance), 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 preclearance. 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)**. This lists additives, the food categories they can be used for and the maximum amounts.
- **Agreement establishing the classification of goods that are subject to regulation by the Ministry of the Environment and Natural Resources**. 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, nor 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 with the EU for organic products is being negotiated.

4.2.2 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 5.1, 5.3 and 5.9.

Table 4-3: Main labelling requirements for food and beverages (including alcohols)

Regulation	Labelling language	Main labelling requirements
Norma Oficial Mexicana 051 Packaged food and non-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"> • Product name and description • Brand Name • Exporter's name and address • Country of origin (e.g. <i>Hecho en...; Producto de ...; Fabricado en ...</i> etc.) • Importer's name, address and tax number • Manufacturer information • List of Ingredients • Net Content/Drained Mass • Batch Number • Expiration Date • Nutritional Information • Requirements set out in NOM-051 • Use of warning labels on products with excess sugar, sodium, trans fats and saturated fats
Norma Oficial Mexicana 142 Alcoholic beverages labelling	Spanish: information in English may appear on the label, but the relevant information must be in Spanish.	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), must be true.

Note (a): regarding products sold in **multiple packages**, 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

A new requirement for warning labels on products with excess sugar, sodium, trans fats and saturated fats stems from a modification to the existing NOM-051 law and aims to encourage Mexicans to have a healthy and balanced diet.

Table 4-4 sets out the technical parameters requiring labelling and the period from the approval of the manual within which labelling must be implemented.

Table 4-4: Technical parameters for warning labels

Nutrient / Food	Energy	Sugars	Saturated fats	Trans fats	Sodium
Solids in 100 g of products	>275 total kcal	>10% of total energy comes from free sugars. Beverages with <10 kcal of free sugars are exempt	>10% of total energy coming from saturated fats	>1% of total energy coming from trans fats	>350 mg of calorie-free beverages >45mg
Liquids in 100ml of product	>70 total kcal Or >10 total kcal of free sugars	>10% of total energy comes from free sugars. Beverages with <10 kcal of free sugars are exempt			
Legend to use	Exceso Calorias (Excess of calories)	Exceso Azucared (Excess of sugar)	Exceso grasas saturada (Excess of saturated fats)	Exceso grasas trans (Excess of trans fats)	Exceso sodio (Excess of sodium)

Food surpassing the thresholds above must contain warning labels in link with the black and white image below.²² The introduction of these labels in Mexico follows similar introductions in other Latin American countries such as Peru and Brazil, although Mexico's parameters are particularly strict.



²² Mexico: from 1st of October 2020 new regulations for nutritional labelling, Merieux, available at <https://regulatory.mxns.com/en/mexico-regulation-nutritional-labeling>

Organic Labelling

Organic products are subject to general labelling requirements (NOM051 and NOM-142), as well as to the rules and requirements for organic agriculture certification which were introduced in 2013 (“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”). The official organic seal, which is illustrated below, can be displayed on products that fulfil the requirements laid down in the Organic Products. It is important to note that, following recently introduced new measures regarding organic certification in Mexico, all imported organic food products must now be certified by a SENASICA accredited LPO in order to be granted the right to export to Mexico.



4.2.3 Protection of intellectual property rights, including Geographical Indications (GIs)

Mexico follows the existing international frameworks on the matter of IPR issues and has ratified several 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 4.2.4.

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 mainly to a lack of coordination between federal, state, and municipal authorities, as well as a prevalent acceptance of piracy and counterfeiting.

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 law. The Latin America IPR SME Helpdesk also provides support to SMEs in matters of IPR (see box below).

SMEs are also encouraged to work together with trade associations and organisations to protect 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 will improve the protection in Mexico of intellectual property owned by EU companies. This includes making it illegal in Mexico to sell imitations of protected EU Geographical Indications listed in the annex of the IP chapter, such as Champagne, Parma ham and Balsamic Vinegar from Modena.

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 provide separate appellations of origin for foodstuffs and agricultural products and wines and spirits, Mexico offers one legislation for all kinds of products. Currently, 18 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 market.

The 1997 Spirits Agreement recognises and provides protection to 217 EU GI spirits, and its revision expanded the list to 232 spirits. In addition, once the modernised EU-Mexico FTA is ratified and enters into force 340 EU protected terms (145 wine + 195 food products) will be recognised and protected as GIs (see box below; further details are provided in section 4.3.2). A detailed list of EU products that are registered or set to be registered as GIs under the modernised EU-Mexico FTA can be found in section 9.

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 Free Trade Agreement

With regard to the GIs which are set to be protected within the EU – Mexico modernised FTA, the chapter on Intellectual Property, sub-section 4 on GIs provides that:

- a) *Protected geographical indications shall be granted protection of any direct or indirect usage of the protected name.*
- b) *Protected GIs shall not become generic in the treaties of both parties.*
- c) *Protection is provided even when the true location of origin is indicated, or the geographical indication is used in translation or accompanied by expressions.*
- d) *Once a geographical indication is protected under this Agreement, the use of such protected name shall not be subject to any registration of users, or other requirements.*
- e) *Indications, abbreviations, symbols and technical specifications referring to the geographical indications may only be used in relation to the product protected or registered in the respective territories and produced in conformity with the corresponding product specification or regulation.*
- f) *A name protected under this Agreement may be used by any operator marketing a product which conforms to the corresponding specification.*

Source: [EU - Mexico trade agreement: Intellectual property \(europa.eu\)](http://europa.eu).

4.2.4 Relevant authorities for IPR and GI protection and further contacts

IMPI - Instituto Mexicano de la Propiedad Industrial

(Mexican Institute of Industrial Property)

Director General: Mr. Alfredo Rendon

Address: Periférico Sur 3106, Jardines del Pedregal, Ciudad de

México. C.P. 01900 Tel: +52 (55) 5624 0401/04

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

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

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 other countries.

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.
- **Implementing 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 organisations and forums such as the World Trade Organization (WTO), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the Asia-Pacific Economic Cooperation (APEC), the Organisation for Economic Cooperation and Development (OECD), the Pacific Alliance and the Latin American Integration Association (LAIA).

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

- 14 Free Trade Agreements (FTAs) with 50 countries;
- 11 Economic Complementation/Partial Scope Trade Agreements (within the LAIA framework);

- 30 agreements on reciprocal promotion and protection of investments with 31 countries.

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 4% of total exports, and 3% of total imports in 2020²³. As indicated in section 3.1.2 the United States is the leading exporter of agri-food products to Mexico, while most Mexican agri-food exports are intended for the US, wider Latin American and EU markets²⁴.

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 Table 4-5 and Figure 4-1.

A comprehensive list of the current FTA agreements Mexico is a party to is listed below.

Table 4-5: Chronological list of Mexican trade/economic agreements

Partners	Type of agreement	Entry into force
Ecuador	Free Trade Agreement	1987
NAFTA (US/Canada) *	Free Trade Agreement	1992
Paraguay	Free Trade Agreement	1994
Colombia	Free Trade Agreement	1994
Chile	Free Trade Agreement	1999
European Union	Free Trade Agreement	2000
EFTA (Iceland, Norway, Liechtenstein, Switzerland)	Free Trade Agreement	2001
Israel	Free Trade Agreement	2001
Brazil	Free Trade Agreement	2003
Japan	Free Trade Agreement	2004
Mercosur (Brazil, Argentina, Paraguay and Uruguay)	Free Trade Agreement	2006
Bolivia	Free Trade Agreement	2010
Central American States (Guatemala, Costa Rica, El Salvador, Nicaragua, Honduras, Panama)	Free Trade Agreement	2011
Peru	Free Trade Agreement	2012

²³ Mexico imports/Exports database, Trading economics, available at <https://tradingeconomics.com/mexico>

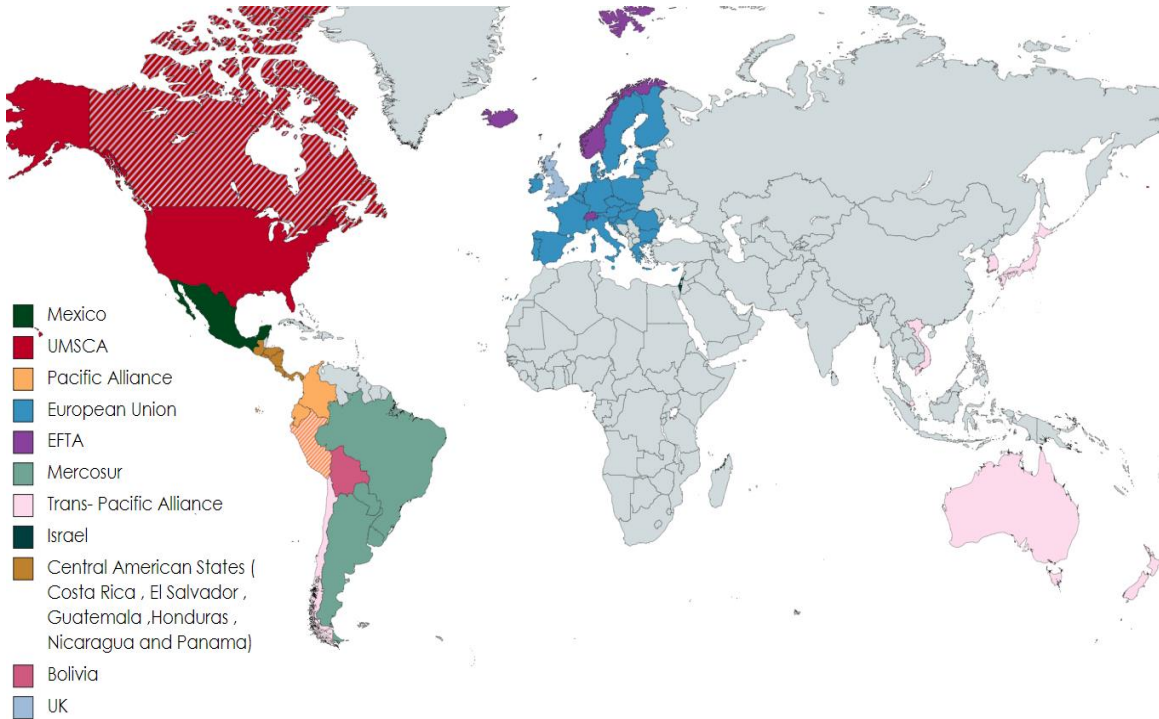
²⁴ Foreign trade, countries with treaties and agreements signed with Mexico, Government of Mexico, available at <https://www.gob.mx/se/acciones-y-programas/comercio-exterior-paises-con-tratados-y-acuerdos-firmados-con-mexico?state=published>

Partners	Type of agreement	Entry into force
CPTPP (Australia, New Zealand, Japan, Chile, Brunei, Peru, Singapore, Canada)	Free Trade Agreement	2018
USMCA (US/Canada)	Free Trade Agreement	2020

(a) Signed as a member of the ASEAN economic bloc

Source: Agra CEAS based on various

Figure 4-1: Mexico’s FTAs



Source: AGRA CEAS based on US International trade commission report: Mexico’s Free Trade Agreements, <https://www.trade.gov/country-commercial-guides/mexico-trade-agreements> Designed with Map Chart

Mexico is one of the countries with the highest number of free trade agreements in the world which will likely help to bolster economic development post-COVID. The recent evolution of the US-Canada NAFTA Agreement into the US-Mexico-Canada Agreement (USMCA), which entered into force on 1 July 2020, is an indicator of Mexico’s expanding trade relations. The agreement further strengthens the trade relations in the agri-food sector, creating new export opportunities to Mexico for US and Canadian agri-food products. It is indicative that the USMCA for the first time specifically addresses agricultural biotechnology and institutes a more rigorous process for establishing geographical indications and ‘common names’.²⁵

The following countries have been highlighted as countries that may have an FTA agreement in place with Mexico shortly:

²⁵ US-Mexico-Canada agreement (USMCA), USDA, available at [U.S.-Mexico-Canada Agreement \(USMCA\) | USDA Foreign Agricultural Service](https://www.usda.gov/foreign-agricultural-service/USMCA)

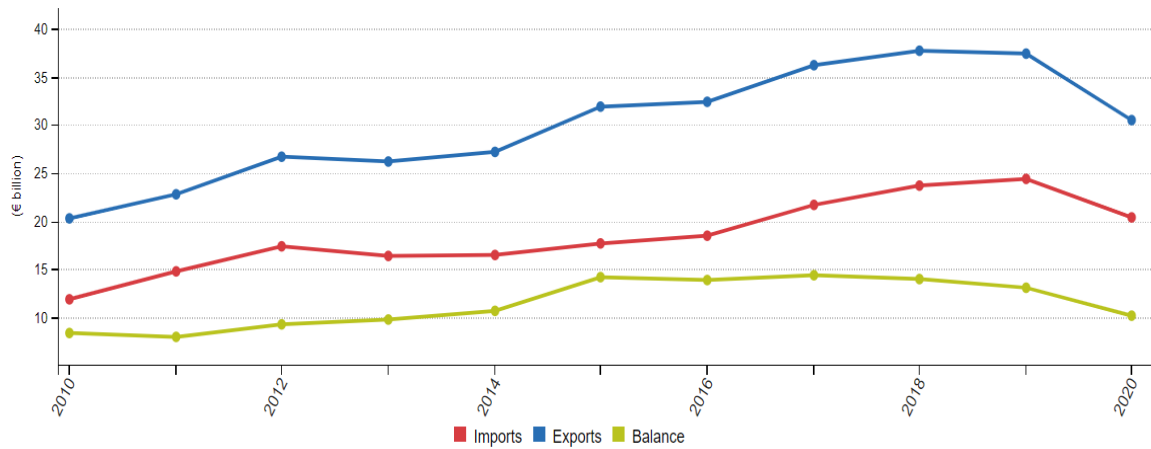
- Mexico-Turkey FTA ²⁶
- Mexico- Philippines FTA ²⁷
- Mexico- China FTA ²⁸

Also, the following countries have expressed interest in joining the CPTPP which would result in joining a free trade zone that Mexico is a party too: Indonesia, Thailand, South Korea, China, and the UK.

The modernised EU-Mexico Trade Agreement

In 2020, the EU was the second-largest export market for Mexico after the US. The EU is also the second-largest investor in Mexico, again after the US. Total EU imports from Mexico came to a value of EUR 20 billion in 2020, while total EU exports to Mexico reached a value of EUR 39 billion. Spain, Germany and Italy are the Member States with the largest exports to Mexico.

Figure 4-2: Evolution of EU – Mexico trade, 2010 – 2020 (EUR billion)



Trade between the EU and Mexico is regulated by the EU-Mexico trade agreement which has been in place since 2000. However, in May 2016, the two partners launched negotiations to modernise the agreement. The previous agreement did not contain many provisions on trade in goods which have since become standard in trade agreements and include a limited amount of preferential tariff-rate quotas (TRQs) for some products, notably agri-food products and fisheries. The new agreement, the principles of which were concluded in April 2018, was therefore set to fill these gaps²⁹.

An agreement in principle was reached in April 2018 and the last outstanding technical aspects of the agreement were concluded in April 2020, with the agreement scheduled for signing thereafter.

²⁶ Turkey, Mexico begin free trade talks: trade body, AA Turkey, available at <https://www.aa.com.tr/en/americas/turkey-mexico-begin-free-trade-deal-talks-trade-body/1566749>

²⁷ PH eager to forge FTAs with Mexico, US, Bilaterals.org, available at <https://www.bilaterals.org/?ph-eager-to-forge-ftas-with-mexico>

²⁸ China open to free trade agreement with Mexico, Reuters, available at <https://www.reuters.com/article/us-china-mexico-trade-idUSKBN19K01Z>

²⁹ Key features of the EU-Mexico trade agreement: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1831>

The modernised EU-Mexico FTA is expected to benefit EU exports, in terms of:

- **Removal of customs duties and simplification of customs procedures:** tariffs will be eliminated for most products, including processed agricultural products, dairy, apples and canned peaches, virtually all pork products, and poultry products. Furthermore, customs procedures, relevant paperwork and physical checks at Mexican customs will be simplified.
- **Protection of geographical Indication (GIs):** 340 GIs will be protected under the new agreement, along with the 232 spirits GIs, protected under the Spirits Agreement updated in 2020. The full list of products registered or set to be registered as GIs in Mexico is reported in section 9.
- **Focus on SMEs:** under the modernised agreement, Mexico will set up a website providing EU SMEs with information to access the Mexican market. Furthermore, Contact Points in Mexico will work to facilitate the access of SMEs to the Mexican market.
- **SPS relief:** under the modernised agreement, SPS barriers currently in place regarding fruit, vegetables and meats are expected to be relieved.

At the time of writing, negotiations between Mexico and the EU regarding the new trade agreement have ended successfully, and the agreement is under legal revision.

4.3.3 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:

- **Cheese** from the EU which is currently taxed to a rate of 45% will become tariff-free with the exception of blue vein cheese.
- **Processed products such as processed cereals** are currently taxed at 35% but will also become tariff-free;
- **Tariffs will be removed** on virtually all **pork products**, to which up to 100% duties are currently applied; **chocolate and confectionery products** (currently up to 30%); as well as pasta, apples and canned peaches (currently up to 20%).

Further information

Import duties and taxes and an up to date list of trade barriers for the export of food and beverages to Mexico can be consulted here:

[Access2Markets](#)

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.

4.3.4 Summary of key trade barriers

The Mexican market for food and beverages is currently highly regulated, which poses a

challenge for European exporters. 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, once the modernised EU-Mexico Trade Agreement enters into force, it is set to significantly simplify access to the Mexican market, by removing tariffs or introducing TRQs as well as addressing several non-tariff issues. This is expected to boost EU exports to Mexico also for key agricultural products such as 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, to establish itself as a strong international trade player. The current administration's National Infrastructure Program (NIP) for 2020-24 has indeed allocated almost 300 billion Pesos (EUR 12.9 billion approx.) to over 39 projects in six strategic sectors, including transport.³⁰

Shipping

Mexico boasts roughly 125 ports and freight terminals, and the intention is to improve further the mobility of merchandise. To this end, several ports are being renovated, including the Veracruzport, which is the largest in the Mexican Gulf and the port of entry for goods arriving from the EU. Mexican ports moved roughly 266 million tonnes of cargo in 2020, although this is an overall decline from previous years, it was largely influenced by the outbreak of COVID-19.³¹

The ports of greater interest to European companies are illustrated in Figure 4-3. It should be noted that certain ports – most notably Tuxpan - handle primarily oil and bulk freight but do also handle container shipping in more limited volumes.

³⁰ Mexico's infrastructure plan 2020-2024. The national law review, available at <https://www.natlawreview.com/article/mexico-s-infrastructure-plan-2020-2024>

³¹ Informe estadístico mensual, Gobierno de Mexico, available at: http://www.sct.gob.mx/fileadmin/CGPMM/U_DGP/estadisticas/2020/Mensuales/12_diciembre_2020.pdf

Figure 4-3: Major Ports in Mexico of relevance for EU exporters



Source: Agra CEAS based on various

Airfreight

Mexico is the third country in the world for the number of airports (1 700), 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. Between 2019-2020, the busiest airport concerning the movement of cargo goods specifically was Mexico City airport (390 000 tonnes), followed by Guadalajara airport (122 000 tonnes) and Monterrey (32 000 tonnes) ³².

³² International cargo handled leaving Mexican airports in 2019 and 2020, Statista, available at: [statista.com/statistics/1042512/mexico-airports-international-cargo/](https://www.statista.com/statistics/1042512/mexico-airports-international-cargo/)

Figure 4-4: Major International Cargo Airports in Mexico



Source: Agra CEAS based on various

Rail freight

The Mexican rail system has an operational railway network of nearly 18 000 route km and moves around 107 million tonnes 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 requires renovation. Recent initiatives to improve it include the upgrading of 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 Merida.

Figure 4-5: Railway network of Mexico



Source: Agra CEAS based on various

Road Freight

With approximately 370 000 km of roads, 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 built.

4.4.2 Distribution – retail channel overview

Mexico’s retail sector is rather fragmented. Only a 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 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 country.

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 choice. The most important supermarket chain in Mexico is Walmex (Walmart Mexico), which boasts around 2 600 stores in Mexico under different names, such as Walmart Supercenter, Sam's Club, etc. It has been continuously expanding (64 new outlets were opened in 2019), also in new locations, such as smaller urban areas with

fewer than 100 000 residents. Recently the company has started to invest more in eCommerce. Other notable supermarket chains include Chedraui, La Comer and Costco. In smaller locations, supermarkets are usually replaced by independent “Mini Super” stores, which usually offer basic commodities and less variety compared to a larger supermarket. Several of the 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. Concerning 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, El Palacio de Hierro, Sears, and Sanborns, where several items, including packaged foods and alcoholic beverages, can be purchased.

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 2020, convenience stores saw double-digit recent double-digit growth slow down significantly due to the pandemic however this is likely to rebound once the more immediate impacts of COVID-19 have receded. 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 indoor markets, as well as 144 street markets per day.

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 restaurants. 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 kiosks. Alsea is the leading player in food service, 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 VIPs7. This channel was particularly impacted by COVID-19, having seen a large number of closures or opening

under restriction, which invariably impacted business expansion in this sector between 2020 and 2021.

eCommerce

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

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 their foreign counterparts. Therefore, companies might decide to set up a Corporation (simple or with variable capital), an 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).

4.4.3 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 services 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 network³³.

To find distributors/agents, specialists recommend going on a trade mission, which provides one-on-one meetings with pre-screened distributors and networking events with local businesses. Nonetheless, Mexican distributors/agents can be also retrieved from

³³ US Export.gov: Mexico - Establishing an Office, <https://www.export.gov/article?id=Mexico-Establishing-an-Office>

professional social networks, such as LinkedIn³⁴. A good Mexican agent can be greatly beneficial to smaller or medium-sized importers.

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 Mexico. While Mexican importers may not have strict criteria such as fixed minimum volumes, they will assess the potential of products / how they will fit in the market before making 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 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-use.

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.

4.4.4 Business environment

In 2020 Mexico ranked as the easiest place for doing business in Latin America and 60th overall³⁵. Factors that have largely contributed to improving the business environment are 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 widespread skill shortage and brain drain remain serious challenges the country is facing. The business environment can vary depending on the region in question with the larger urban centres having a more cosmopolitan approach to business compared to the more rural areas of the country which may incorporate local customs and traditions into their business practices. The Foreign Investment Promotion and Protection Agreements (FIPPA) advocates for the promotion and protection of investments from foreigners into Mexico, thereby directly contributing to the establishment of a favourable climate for business development. Mexico has a total of 29 FIPPAs signed bilaterally with other nations including Austria, Czechia, Denmark, Germany, Finland, France, Greece, Italy, Luxembourg, The Netherlands, Portugal, Slovakia, Sweden and Spain.³⁶

³⁴ How to Find a Highly Qualified Distributor in Mexico, <https://sbdctampabay.com/find-highly-qualified-distributormexico/>

³⁵ World Bank Group, Doing business 2020, Latin America and the Caribbean, available at <https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/DB20-FS-LAC.pdf>

³⁶ Mexico hub projects, Why Mexico? Available at https://www.proyectosmexico.gob.mx/en/why_mexican_infrastructure/business-environment/#:~:text=Competitiveness%20Position%20and%20Business%20Environment,-Mexico%20ranked%2048&text=In%202019%2C%20Mexico%20ranked%2060,do%20business%20in%20each%20country.

4.4.5 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 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.

Key challenges to bear in mind when operating in the Mexican market are:

- The federal states have a certain autonomy concerning taxation policy which can differ, in a similar system implemented in the neighbouring US. One notable example is the state of Michoacán which in 2021 implemented a special subsidy for sales tax, only applicable to local GI products, thus discriminatory towards imported spirit drinks. Make sure to research both the Federal and State taxation policies.
- English is understood by roughly 12% of Mexicans to a fluency level, with these speakers most likely to live near the border with The US or Belize or within Mexico in the cities of Mexico City, Monterrey and Cancun. Due to this, make sure to have a Spanish interpreter available for business meetings taking place in the country.
- Mexico has issues regarding its domestic crime rate with notable hotspots of criminal activity particularly along its northern and southern border and its interior regions which have to be observed; it is therefore best to travel to these regions with someone who knows the area or can at least help in translation.
- Mexico is a large country (14th largest by land area) with a large amount of the country being rural and isolated, operating in these regions can be a logistical challenge for both Mexican and foreign companies.

4.4.6 Other relevant information

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 methods 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 paying with a 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 instant electronic payments.

Travel from the EU to Mexico

Travel from the EU to Mexico requires only a valid passport. EU citizens have 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). At the moment of writing, Mexico also implements a less strict COVID-19 requirement policy with just the need to fill in a health survey being required.

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

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.

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

5.1 Fresh meat

5.1.1 SWOT analysis

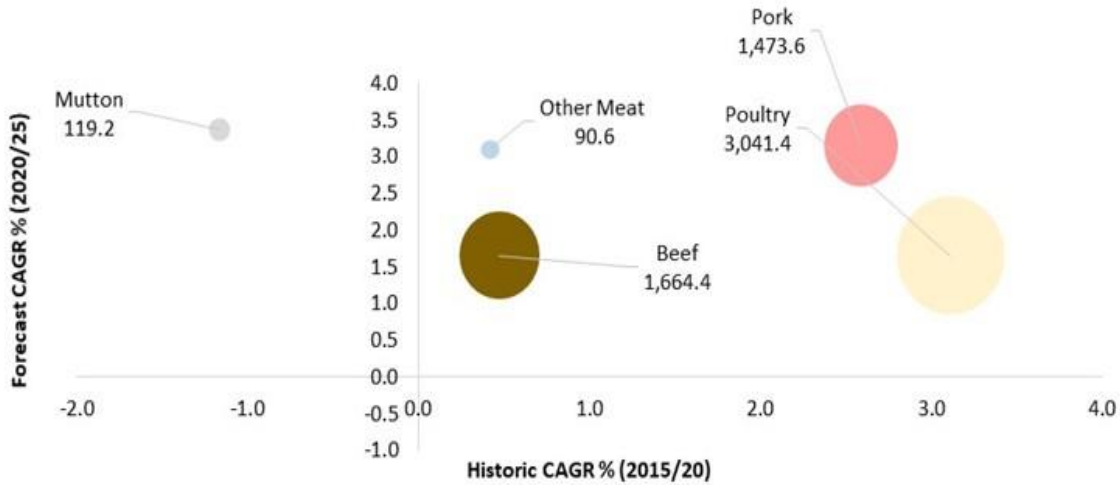
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Total fresh meat consumption is growing in Mexico. ▪ Fresh meats are a key component of most staple Mexican dishes. 	<ul style="list-style-type: none"> ▪ Beef remains largely unaffordable for lower-income earners. ▪ The US accounts for roughly 80% of total Mexican fresh meat imports. ▪ Price is an important factor for the majority of Mexico’s price-sensitive consumers.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Updated EU-Mexico FTA will reduce import duties and should facilitate import requirements for certain fresh meats. ▪ Mutton meat is forecasted to be the fastest-growing meat in Mexico between 2022 and 2025 (although from a lower base than pork and poultry). 	<ul style="list-style-type: none"> ▪ Brazil is a big competitor concerning exporting turkey meat specifically. ▪ Domestic production has grown in recent years and this is forecasted to continue.

5.1.2 Consumption

Evolution of consumption

Figure 5-1 shows that poultry is the largest fresh meat product consumed in Mexico with a total volume of just over 3 million tonnes in 2020, poultry is further forecasted to grow at a CAGR of 1.6% between 2022 and 2025 which will see it remain the largest fresh meat product by total volume in Mexico. Beef is the second largest fresh meat product in Mexico with a total volume of nearly 1.7 million tonnes and is forecasted to grow at a CAGR of 1.7% between 2022 and 2025. Mutton is forecasted to be the fastest growing fresh meat product with a CAGR of 3.4% predicted between 2022 and 2025, although mutton will remain behind pork which has a total volume of nearly 1.5 million tonnes. The other meat category in Mexico is small with a total volume of 90 000 tonnes.

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in Mexico, 2015-2025; total volume



Source: Euromonitor International: Fresh Food, 2021.

Consumer profile and purchase criteria

Consumers

Meat in Mexico is considered 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 popular.³⁷

Poultry is regarded as the most affordable animal protein in Mexico, and this has been compounded by the impact of COVID-19. Measures aimed at limiting the spread of COVID-19 led to challenging economic conditions; as a result, consumers became more budget-conscious, which favoured sales of poultry, perceived as both affordable and healthy. The next most popular fresh meats are pork and then beef, consumption of which is often constrained by low income and often unavailable for lower- and middle-income earners (Table 5-1).

Consumers living in urban areas have a higher per capita consumption of fresh meat which is a result of having a higher income and greater access to retail and foodservice outlets.

Table 5-1: Average retail prices of different meats (Pesos per kg), 2020

Meat	Average retail price per kilo (in MXN)
Poultry	36
Pork	92
Beef	113

Source: Euromonitor International Ltd / Agra CEAS

Against the background set out above, three further notable consumer groups can be identified:

³⁷ Different styles of cabrito in Mexico, Mexico Mike, available at <https://www.mexicomike.com/food/cabrito.html>

- **Price sensitive:** These consumers now have more disposable income but opt for affordable meats and hence favour poultry meats which are the cheapest in Mexico. The outbreak of COVID-19 had a huge impact on the Mexican economy which further encouraged consumers to be more price sensitive.
- **Health-conscious:** The outbreak of COVID-19 in Mexico further highlighted the need to have a healthy and balanced diet for consumers. This has made consumers more health-conscious about the meats they are consuming with a particular focus on white and skinless chicken meat.
- **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 food service outlets. This group, in particular, will hold higher standards regarding the cut of meat presented to them and are more likely to come from a high-income class

Drivers and method of consumption

The two most important factors impacting meat consumption and meat preferences in Mexico are combined with pricing and culture. As a majority of Mexican citizens tend to be middle- or low-income earners, their approach towards meat purchases largely depends on products' pricing. Therefore, due to the lower price of poultry, this type of meat is often preferred³⁸. Secondly, due to the fact that Mexican dietary habits are considerably meat-based, consumers in Mexico often choose meat that 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*³⁹). It usually consists of several courses including an appetizer, a soup or salad 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.:

- *Enmoladas* – enchiladas covered in a mole sauce, chicken forms a key ingredient.
- *Machaca* – Traditional Mexican dish containing shredded beef and a variety of spices.
- *Cochinita pibil* – Pork dish, slowly baked and served with shallots, salsa and roasted vegetables.
- *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, this has been compounded by the outbreak of COVID-19 in the country. Moreover, as Mexican consumption habits are strictly linked to meat, consumers often base their criteria on the use of meat in traditional dishes; however, some consumers also look for alternative products and appreciate meats that can be used across several dishes such

³⁸ Poultry remains as popular as ever in Mexico, Poultry world, available at <https://www.poultryworld.net/Meat/Articles/2021/10/Poultry-remains-as-popular-as-ever-in-Mexico->

³⁹ Comida Mexicana, una tradición que nos identifica, Mexico Desconocido, available at <https://www.mexicodesconocido.com.mx/comida-mexicana.html>

as poultry meats.

Freshness is also generally sought after by Mexican consumers, for example, the most important choice criteria for pork are colour (dark and light red are mostly preferred) and fat cover (lean fat cover is preferred over fatty). The freshness of pork is indicated by a uniform, pink colour, a pleasing aroma (natural, not bad, or old smell), drip visible on the meat surface (but not excessive), firmness, cleanliness and low-fat content. Frozen meat is primarily undesirable, particularly because freezing does not allow the consumer to evaluate quality traits, such as texture and smell, and reduces eating quality. Moreover, consumers prefer a pork texture that is firm, not soft or limp, not dried out or watery, as it is associated with freshness and eating quality. The brand and origin of fresh meat products also plays a key role in the pricing criteria of fresh meats in Mexico.

Fresh meat on retailers' shelves in Mexico

Local meat dominates the retail market in Mexico. It is generally rare to find imported general poultry and pork in retail outlets; the most commonly found imported fresh meat is pig meat (most often from the USA), with some imported poultry and beef also available. However, domestic products are more predominant than imported ones for these categories as well. Pricing depends on the cut to a high extent but in general, imported products are less affordable than local ones. Discounts of around 20-30% are common for imported fresh meat with the aim to attract more consumers.



Above: Imported pork from the USA

Fresh meat is sold in various pack sizes depending on the need of consumers. The main packaging types are plastic trays sealed with a transparent plastic sheet or vacuum packaging. Convenience is becoming a key factor, which boosts the growth of flexible packaging. As smaller portions become more popular in the country, in particular meat products in vacuum pouch packaging are demanded. The origin of a

product is indicated either on the packaging or the store label. Fresh meat is often displayed next to or at least close to processed meat products. Promotions and discounts might be available.



Above and below: Variety of larger and smaller sized meat packs



Fresh meat is sold in various pack sizes depending on the need of consumers. The main packaging types are plastic trays sealed with a transparent plastic sheet or

vacuum packaging. Origin is indicated either on the packaging or the store label. Fresh meat is often displayed next to or at least close to processed meat products. Promotions and discounts might be available.



*Above: Fresh meat displayed next to processed meat with promotions being available
Below: Fresh meat counter in a Mexican supermarket*



Pictures: © Agra CEAS / Euromonitor International, 2022.

Recent market trends

Recent years brought an increase in fresh meat consumption in every segment. The outbreak of COVID-19 helped to pin poultry as the most popular meat in the country largely influenced by its affordability amongst a consumer base facing a fall in spending power. Poultry is also considered low-fat meat which appeals to consumers who increasingly became more health-conscious through the pandemic. Despite poultry being the most popular fresh meat product in Mexico, it's the products of pork and mutton which are forecasted to be the fastest-growing fresh meats consumed in Mexico between 2022 and 2025. Looking ahead, fresh meats which incorporate affordability, durability and can effectively market themselves as a healthier alternative food stand to do best in the Mexican market with all of these three trends being further compounded by the outbreak of COVID-19 in the country.

Fine cuts such as beef whole tenderloin cuts have seen a significant rise in demand among high-income groups. There is also a growing demand for organic meat among high-income consumers, The foodservice channel is also expected to contribute to the trend of popularity of fine cuts, as new independent and chained restaurants are focusing on consumers with higher purchasing power, offering fine cuts and increasingly sophisticated dishes.

5.1.3 Offer

Domestic production

Domestic production of fresh meat remains resilient in Mexico despite the impact of the wider COVID-19 pandemic in the country. This has been spurred by a sustained and growing demand for fresh meat products in Mexico, with all major fresh meat products forecasted to grow in consumption in Mexico between 2022 and 2025 (this despite a rise in prices). Mexico has also been expanding its export of fresh meats which acts as a further incentive for producers. Mexico in 2022 is forecasted to see its beef production grow to 2.19 million tonnes carcass weight equivalent (CWE), a growth of 3.3% from 2021. Mexico is estimated to currently have around 21.4 million heads of swine, and its pork production is estimated to reach 1.54 million tonnes carcass weight equivalent (CWE).⁴⁰ Chicken production is estimated to reach around 3.9 million tonnes in 2022, an increase of 2.6% from 2021, with Veracruz being the state which produces the most chicken meat. Turkey meat production is forecasted to fall in 2022 due largely to high input costs combined with chicken meat production being more lucrative in the country.

Industrias Bachoco, S.A. de C.V. is a holding company whose Bachoco, S.A. de C.V. is Mexico's leading poultry producer and one of the world's top ten chicken producers. The next biggest fresh meat producers in the country are the companies Pilgrims SA de CV and Yoreme Cortes y Procesos SA de CV.

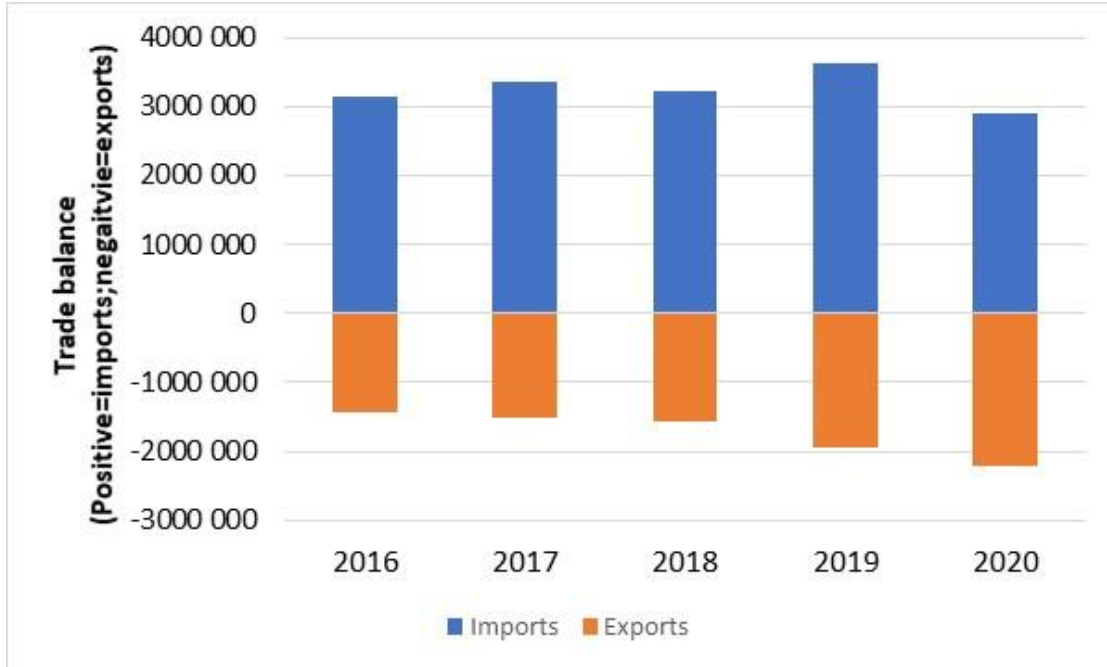
Imports and exports

Figure 5-2 shows that Mexican imports of fresh meat have significantly exceeded export volumes in recent years, although total Mexican exports are growing. In 2020 Mexico exported a total of EUR 2.2 billion worth of fresh meats, compared to an export value of

⁴⁰ Livestock and products annual – Mexico 2022, USDA, available at: https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Livestock%20and%20Products%20Annual_Mexico%20City_Mexico_08-01-2021

EUR 1.4 billion in 2016. Total imports have fluctuated in value in recent years peaking at EUR 3.6 billion in 2019, to decline to EUR 2.9 billion in 2020.

Figure 5-2: Trade balance (imports and exports) of fresh meat in Mexico, 2016-20 (EUR 000)

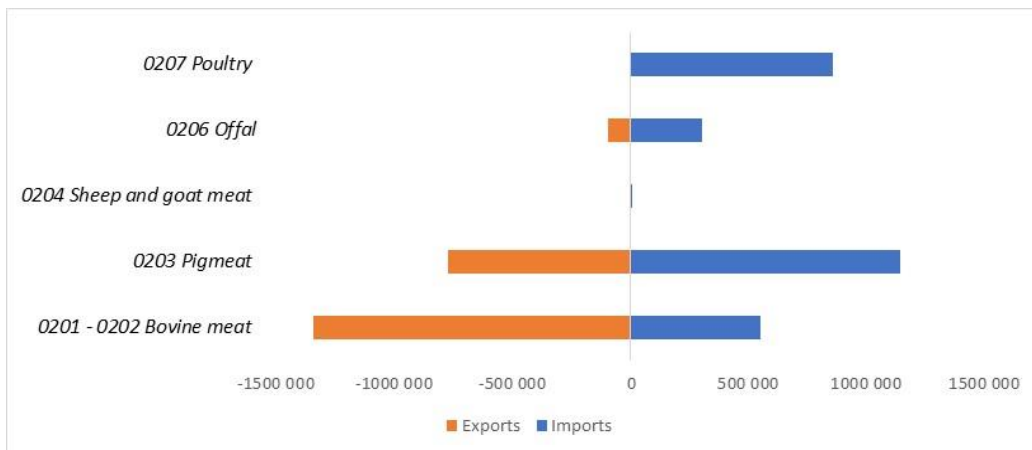


Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

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

Figure 5-3 displays the trade balance between meat products being exported and imported by Mexico. The high level of poultry consumption in the country helps explain further why exports are quite low. Mexico is a big importer of pigmeat, with imports worth EUR 1.1 billion in 2020. This is followed by poultry at EUR 858 million and beef at EUR 549 million, although Mexico also exported EUR 1.3 billion worth of beef in the same year, 2020.

Figure 5-3: Trade balance (imports and exports) of fresh meat in Mexico, by type, 2020 (EUR 000)

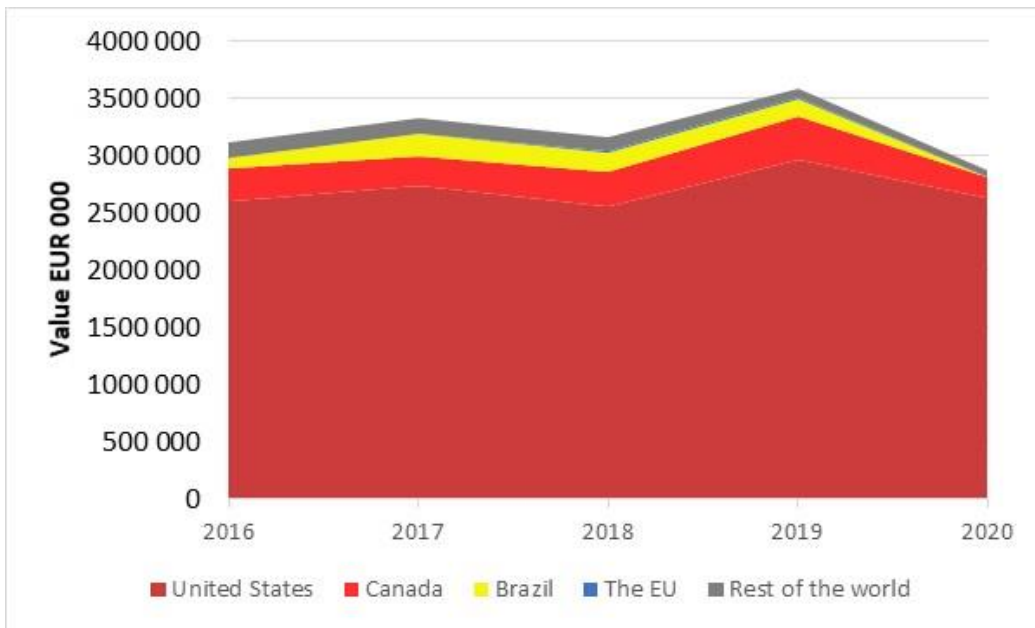


Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

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

The United States is the largest exporter of meats to Mexico by a considerable distance, with just over 80% of all fresh meat imports from Mexico coming from the US (Figure 5-4). Canada stands as the second-largest exporter to Mexico followed by Brazil, with Brazil mainly exporting turkey meat. The EU is a small exporter overall of fresh meat to Mexico with total exports coming to a value of EUR 448 000 in 2020. The main exporters amongst EU member states were Germany and Denmark although both countries faced restrictions in exporting fresh meats to Mexico between 2019 and 2020.

Figure 5-4: Mexican imports of fresh meat by country, 2016-20 (EUR 000)



Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

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

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)

Main competitors

Domestic production has been on the rise in all segments of the fresh meat sector in Mexico. However, Mexico has been also relying upon foreign freshmeat products, which in the vast majority are imported from the US which accounts for just over 80% of Mexican fresh meat imports. Canada is also a large competitor while Brazil is competitive in the exportation of turkey meat to Mexico specifically.

5.1.4 Specific market entry requirements

Market Access and Entry

Imported fresh meat products are subject to 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 an 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 requires a 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) before 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 modernised EU-Mexico trade agreement.***

Further requirements worth noting are:

- **Regionalisation for disease outbreaks:** there have been issues with the implementation of regionalisation by Mexico, for African Swine Fever (ASF) and Highly Pathogenic Avian Influenza (HPAI), which at the moment of writing leads to ban on exports of pork and poultry from certain Member States.
- **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, 5 countries face more stringent requirements, as they are recognised as having a controlled BSE risk:
 - France
 - Greece
 - Ireland

- Germany
- Poland

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

<https://trade.ec.europa.eu/access-to-markets/en/home>

Labelling

As described in section 4.2.2, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation. However, in the case of fresh meat products, two specific laws apply as follows (see section 4.2 for more information):

- Norma Oficial Mexicana NOM-034-SSA1-1993
- Norma Oficial Mexicana NOM-102-SSA1-1994

5.1.5 Distribution

As seen in Figure 5-5, fresh meat in Mexico is being distributed mainly through the retail channel with no significant increases or decreases in shares. Traditional grocery retail outlets account for the largest percentage of sales with 47.7% of sales coming from these outlets. Independent small grocers alone account for 42.3% of all fresh meat sales in the country. Modern grocery retail outlets continue to grow their share of total sales and now account for 42.9% of sales with discounters, hypermarkets and supermarkets accounting for the majority of this share. E-commerce is a new channel of distribution and now accounts for 0.7% of sales.

Figure 5-5: distribution of fresh meat in Mexico by volume, 2020



Source: Euromonitor International: Fresh Food, 2021.

5.1.6 Challenges for EU products

Fresh meat products tend to be subject to thorough market entry controls, which are to certify the 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 as the US produces a large percentage of its fresh meat products along the vicinity of the Mexican border in states such as California and Texas. Rising domestic production has also resulted in a slight fall in Mexican total imports of fresh meat in recent years which is emerging as a new challenge.

Market Takeaway: Fresh meat

Consumption: Consumption of fresh meat has been increasing and is expected to remain on an upward trend over the next years. The most popular fresh meat in the country is poultry due to its affordability and durability.

Competition: Domestic production has been on the rise, combined with roughly 80% of fresh meat imports coming from the US acting as the biggest competition for EU fresh meats.

Distribution: Independent small grocers remain the largest distributors of fresh meat products however modern grocery retailers are quickly catching up.

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.

5.2 Fresh fruit and vegetables

5.2.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Total consumption of fresh fruit and vegetables has grown in Mexico in recent years and has been compounded by the increase in health consciousness following the impact of COVID-19 in the country. ▪ Growing demand for niche fruits such as blueberries and cherries. 	<ul style="list-style-type: none"> ▪ Mexico is largely self-sufficient in the production of most fruit and vegetable products, especially staples. ▪ The US largely fills domestic supply shortages and has favourable trading conditions currently with Mexico.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Modernised FTA agreement with Mexico should reduce custom tariffs for EU exporters and well simplify the currently complicated legislative process to export fruit and vegetables to Mexico. ▪ An increasing appreciation for high-quality products, with EU fruit and vegetables being perceived as being of high quality. 	<ul style="list-style-type: none"> ▪ Mexico has signed FTA agreements with other large fruit and vegetable producers in recent years such as Australia and New Zealand. ▪ The impact of COVID-19 has reduced the spending power of Mexican consumers resulting in more demand for cheaper domestic fruit and vegetables.

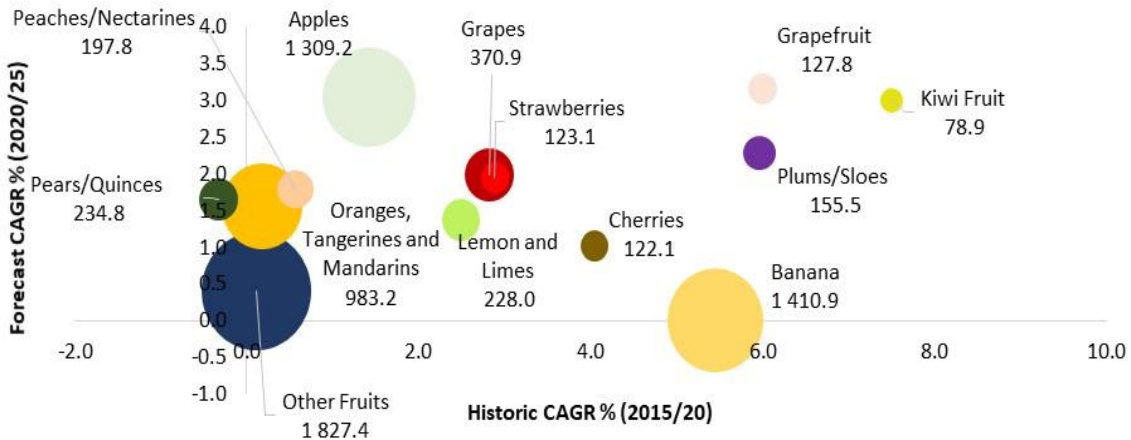
5.2.2 Consumption

Evolution of consumption

The market for fresh fruit has been rising in recent years with most fruit categories recording a total rise in consumption between 2015-2021 (Figure 5-6).

The 'other fruit' category, which incorporates fruits such as sapote and Mamey, has remained the largest fruit category by total volume with a total volume of 3.28 million tonnes. Oranges, tangerines and mandarins are the second-largest category with a total volume of 1.94 million tonnes; this category is forecasted to grow by a CAGR of 3.4% between 2022 and 2025, which will see it remain the second-largest fruit category. Bananas are the third-largest category at 1.14 million tonnes and the only remaining category with a total volume above 1 million tonnes. Apples, lemons, limes and pineapples are the next biggest fruit categories by total volume and are all forecasted to grow in consumption between 2022 and 2025. Cherries, cranberries and blueberries are forecasted to be the fastest-growing fruit categories in Mexico between 2022 and 2025, with cranberries/blueberries forecasted to grow at a CAGR of 7.3% while cherries are forecasted to grow at a CAGR of 8.4%.

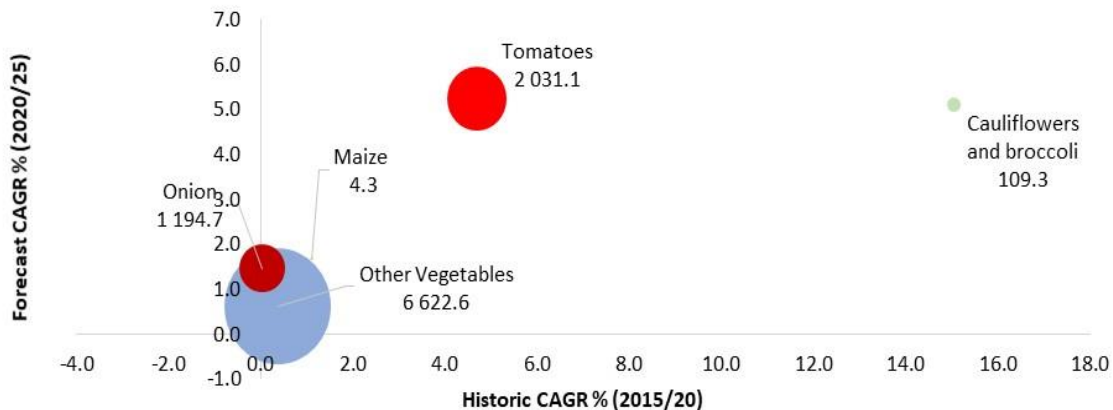
Figure 5-6: Evolution and forecast of fruits market in Mexico, 2015-2025; (000 tonnes)



Source: Euromonitor International: Fresh Food, 2021.

Figure 5-7 shows that the vegetable market has also been rising in Mexico in recent years. The largest vegetable category by total volume is the other vegetable category with a total volume of 2.6 million tonnes. This category incorporates vegetables such as potatoes, corn and squash. Tomatoes are also popular in Mexico with a total volume of 1.8 million tonnes and are forecasted to grow by a CAGR of 2.5% between 2022 and 2025 which also makes it the fastest-growing vegetable in the Mexican market. Maize has a total volume of 1.2 million tonnes in Mexico followed by onion with a total volume of 725 000 tonnes and cauliflower and broccoli with a total volume of 271 000 tonnes.

Figure 5-7: Evolution and forecast of the vegetable market in Mexico, 2015-2025; (000 tonnes)



Source: Euromonitor International: Fresh Food 2021.

Consumer profile and purchase criteria

Consumers

Consumption of fresh fruit and vegetables grew during the COVID-19 pandemic in Mexico, as consumers spent more time at home favouring the demand for convenience foods. Demand was further driven due to an overall rise in demand for healthy foods as the importance of a healthy and balanced diet grew due to the pandemic, despite this, only 56% of Mexican households consume fruits and vegetables daily. In terms of regions, households in the south, in areas such as Guerrero and Chiapas, consume only 30% daily, whereas households in the north in areas such as Nuevo León and Baja California, it is almost 75%⁴¹ Consumers of fresh fruit and vegetables in Mexico come from any income class, age and incorporate both rural and urban consumers due to the wide availability of fresh fruit and vegetables in the country combined with the relatively cheap price of fresh fruit and vegetable products. Fruit and vegetables benefit from their incorporation into many traditional Mexican dishes such as *chilaquiles*. There has been a notable rise in demand for organic fruit and vegetables⁴² in the country; however, overall consumption remains low, largely due to a mixture of a high price point coupled with limited exposure to these products outside of major urban centres in the country. Some of the more popular fruits consumed in Mexico include bananas and oranges which are relatively cheap, while other fruits such as cherries are more expensive which dissuades price-sensitive consumers. Younger consumers consume more fruit and vegetables on average compared to older consumers; this can be attributed to the fall in price for these products in recent years as production in Mexico has grown, combined with a general trend of health consciousness that has emerged in the country.

Drivers and method of consumption

One of the main factors driving the consumption of fresh fruit and vegetables is Mexican cuisine, with some products being regarded as the staple food for consumers in Mexico such as corn, beans, tomatoes, avocados, chilli pepper and limes. Consumers are often prepared to pay more for the highest quality of these products. Consumption of higher-priced fruit and vegetables such as cherries, carrots and avocados come with a higher expectation relating to quality due to the presence of alternative cheaper fruits and vegetables. Another rising driver of consumption has been the outbreak of COVID-19 in Mexico which highlighted the importance of a healthy balanced diet, thus driving demand for health products such as fresh fruit and vegetables. The reopening of foodservice outlets combined with a return in tourism to Mexico will act as two new and important drivers of fresh fruit and vegetable consumption in Mexico. Salsa accompanies a large number of Mexican dishes with salsa ingredients such as tomato and onions being particularly popular. Other favourites include avocados, beans, and nopales (a local cactus species). Citruses such as limes and oranges are widely eaten, and tropical fruits like mango and pineapple are common choices.

Purchase criteria

The utility of fresh fruit and vegetables is an important purchase criterion for Mexican consumers; fruit and vegetable can be incorporated into larger dishes or consumed quickly which appeals to Mexican consumers. Mexican consumers preparing large dishes for

⁴¹ Solo 1 de cada 2 hogares en Mexico puede comer diario frutas y verduras , Forbes Mexico , available at <https://www.forbes.com.mx/economia-1-de-cada-2-hogares-mexico-comer-diario-frutas-verduras/>

⁴² Rising demand for organic foods in Mexico , WEDC , available at <https://wedc.org/export/market-intelligence/posts/rising-demand-organic-foods-mexico/>

family gatherings or celebrations will seek out high-quality fruit and vegetable products. Organic fruit and vegetables are sought out by some Mexican consumers, but this consumer generally comes from the higher income class which dampens the prospects of overall organic fruit and vegetable sales in Mexico, still, Mexico has become one of the top 20 countries with the highest sales of organic products; this has driven up exports by close to 70% over the last five years⁴³. Hence, fresh organic produce at reasonable prices could hold potential opportunities for EU exporters to Mexico.

As production has increased in Mexico across most fresh fruit and vegetable products, the cost has become less of a barrier to consumption, although prices have crept back up during the pandemic as harvesting was more limited⁴⁴. Mexicans increasingly felt the need to support the local economy during the outbreak of COVID-19 due to the impact the pandemic had on the economy; as a result, consumers increasingly seek out products produced within Mexico which acts as a purchase criterion.

Fruit and vegetables on retailers' shelves in Mexico

As Mexico is a large producer as well as a net exporter of fruit and vegetables, most products sold in supermarkets are local. Most imported fruit and vegetables come from the USA, however, products from specific segments are also imported from the EU.

Prices depend on the fruit/vegetable type. Imported products generally target the mid-range and premium categories and thus are on the pricier side compared to local fruit and vegetables. Imported fruit tends to be more common on retailers' shelves than imported vegetables.

Imported fruit commonly retails at the following exemplary prices:

- Apples and pear apples – EUR 2.10 to 2.60 per kg
- Oranges- EUR 1.10 to 1.50 per kg
- Kiwi- EUR 3.20 to 3.70 per kg



Above: fruit sold loose on retailers' shelves

⁴³ Family Tips in organic food consumption and investment, El Economista, available at <https://www.eleconomista.com.mx/finanzaspersonales/Alimentos-organicos-tendencia-e-inversion-20170922-0027.html>

⁴⁴ As the coronavirus drags on , Mexican food prices soar , The world , available at <https://theworld.org/stories/2020-04-29/coronavirus-drags-mexicos-food-prices-soar>



Above: vegetables sold loose on retailers' shelves

Fresh fruit and vegetables, including imported products, may be sold pre-packed (generally in plastic) but more commonly loose. The popularity of functional packaging is increasing, one example being exporters from Spain who ship their products in well-made processed wood boxes with bright colours. Sometimes items are displayed in their shipping containers, while other times they are transferred from their shipping containers onto the shelf directly while being separated from other produce by thin glass or plastic walls. In other cases, they are displayed in different kinds of baskets. Imported fruits and vegetables also have country-of-origin labels. Most organic produce is packed in plastic bags or thin wall plastic containers as well as nets. Organic produce is often displayed on a shelf dedicated to only organic produce. Discounts of about 20-30% are common to attract consumers in particular for imported fresh fruit and vegetables.



Above: Vegetable in smaller sized packs wrapped in plastic packaging

Most organic produce is packed in plastic bags or thin wall plastic containers as well as nets. Organic produce is often displayed on a shelf dedicated to only organic produce.



Above: Organic fruit and vegetables

Pictures: © Agra CEAS / Euromonitor International, 2022.

Recent market trends

The outbreak of COVID-19 has influenced the consumption of fruit and vegetable sales in Mexico. As foodservice outlets had to close or operate under restrictions for much of 2020 there was a notable decline in sales however the rise in retail sales helped to sustain total sales. Cherries, blueberries and cranberries are the fastest growing fruits in Mexico despite their higher unit price compared to other fruits. These fruits are relatively new to the Mexican market and appeal to consumers seeking niche products. Mexican per capita consumption of fruit and vegetables has risen in recent years and is now amongst the higher levels recorded in Latin America. COVID-19 highlighted the importance of a healthy and balanced diet to consumers in Mexico; this, in turn, has driven sales of fresh fruit and vegetables in Mexico and has acted as a key market trend in the fruit and vegetable sector in the country. A combination of a rise in health consciousness, demand for niche products such as cherries, and the rise in appreciation for Mexican produced products during COVID-19 are the bigger trends in the market.

Demand for well-packaged fruit and vegetables has grown in recent years in line with a rising concern surrounding the hygiene and sanitary quality of fresh fruit and vegetable products. Hence, well-packaged products that make optimal use of plastic could represent an opportunity for EU exporters looking to increase exports to Mexico. Online retailing has also grown in Mexico which was accelerated during the COVID-19 pandemic when consumers often preferred to order online rather than risk exposure outside. Fruit and vegetables in particular were influenced by the rise of e-commerce retailing and now the opportunity exists for EU exporters looking to expand into the market to collaborate and

partner with such platforms to offer exclusive options to their consumers and increase their market share in the country.

5.2.3 Offer

Domestic production

Mexico is a large producer of many varieties of fresh fruit and vegetables. The most prominent products include avocados, corn, tomatoes, peppers, chillies, lemon and limes, onions and strawberries and many other types of fresh fruit and vegetables, which are typical for Mexican culture and climate. The country has increased total exports of fresh fruit and vegetables in recent years which encouraged growth in domestic production.

The state of Michoacán is one of the largest avocado producing regions in the world⁴⁵. Mexico is ranked amongst the top ten producers of oranges, lemons, mangos, tomatoes, coconuts and papayas. Organic fruit and vegetable production has grown in recent years but remains small, as domestic demand is small due to the cost of the products.

Imports and exports

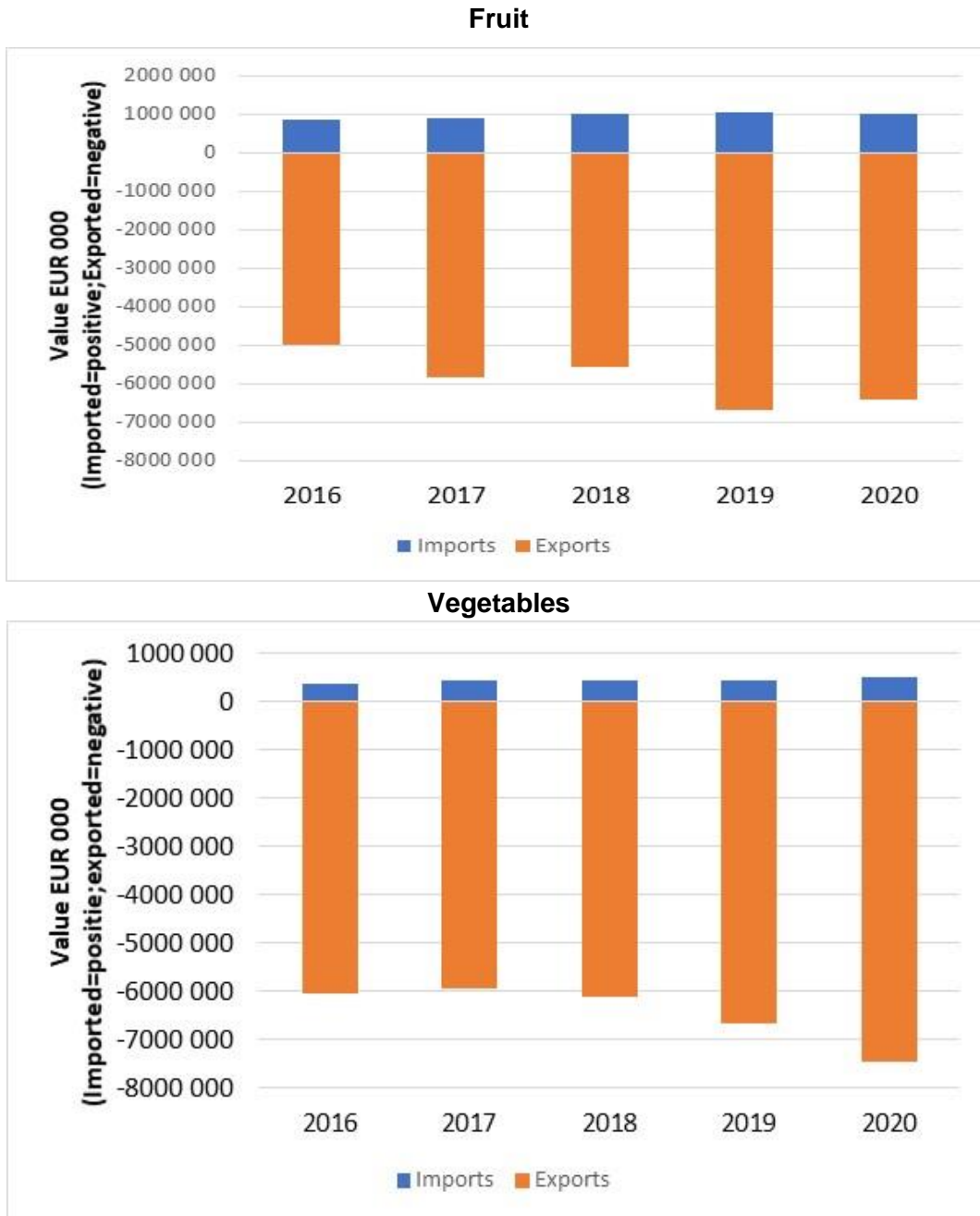
Mexico is a net exporter of fresh fruit and vegetables with the country recording a surplus in the trade of these products for the past five years by a significant margin (Figure 5-8). In 2020, the country exported a total of EUR 6.4 billion worth of fresh fruit and a total of EUR 7.4 billion worth of fresh vegetables. The same year, Mexico imported EUR 508 thousand worth of vegetables in 2020 and EUR 1 billion worth of fresh fruit.

As shown in Figure 5-9, dates, figs and pineapples were the biggest fruit exported by Mexico in 2020, with the country exporting a total of EUR 2.9 billion worth of this product which accounted for roughly half of the total Mexican fruit exports. Strawberries and other berries are another significant export category from Mexico, with a total of EUR 1.1 billion worth of this product being exported in 2020. Citrus, melons and grapes are other significant exports from Mexico. Concerning imports, apples, grapes and fresh strawberries are amongst the largest fruit categories imported by Mexico (Figure 5-10).

Concerning vegetables, the 'other vegetable' category was the most exported vegetable product from Mexico in 2020, with a total export value of EUR 2.5 billion; followed by tomatoes, with a total export value of EUR 2.2 billion. Together these products account for half of the Mexican vegetable exports (Figure 5-9). The largest vegetable product imported into Mexico are onions, shallots and leeks with a total import value of EUR 79 million, followed by potatoes (EUR 52 million) and other vegetables (EUR 39 million) (Figure 5 10). Once again, the United States was the largest exporter to Mexico with a total export value of EUR 391 million, which accounts for over three-quarters of total imports by Mexico. Canada was the second biggest exporter with a total value of EUR 37 million, followed by Chile with a total export value of EUR 19 million. Imports of fresh vegetables from the EU are historically very small. The largest EU exporter was Spain with a total export value in 2020 of EUR 3.2 million. Spain predominantly exported vegetables, uncooked or cooked by steaming (HS code 0710).

⁴⁵ Why Avocado orchards thrive in Micoacan, The Avocado institute of Mexico, available at <https://avocadoinstitute.org/avo-journey/magic-of-michoacan/why-avocado-orchards-thrive-in-michoacan>

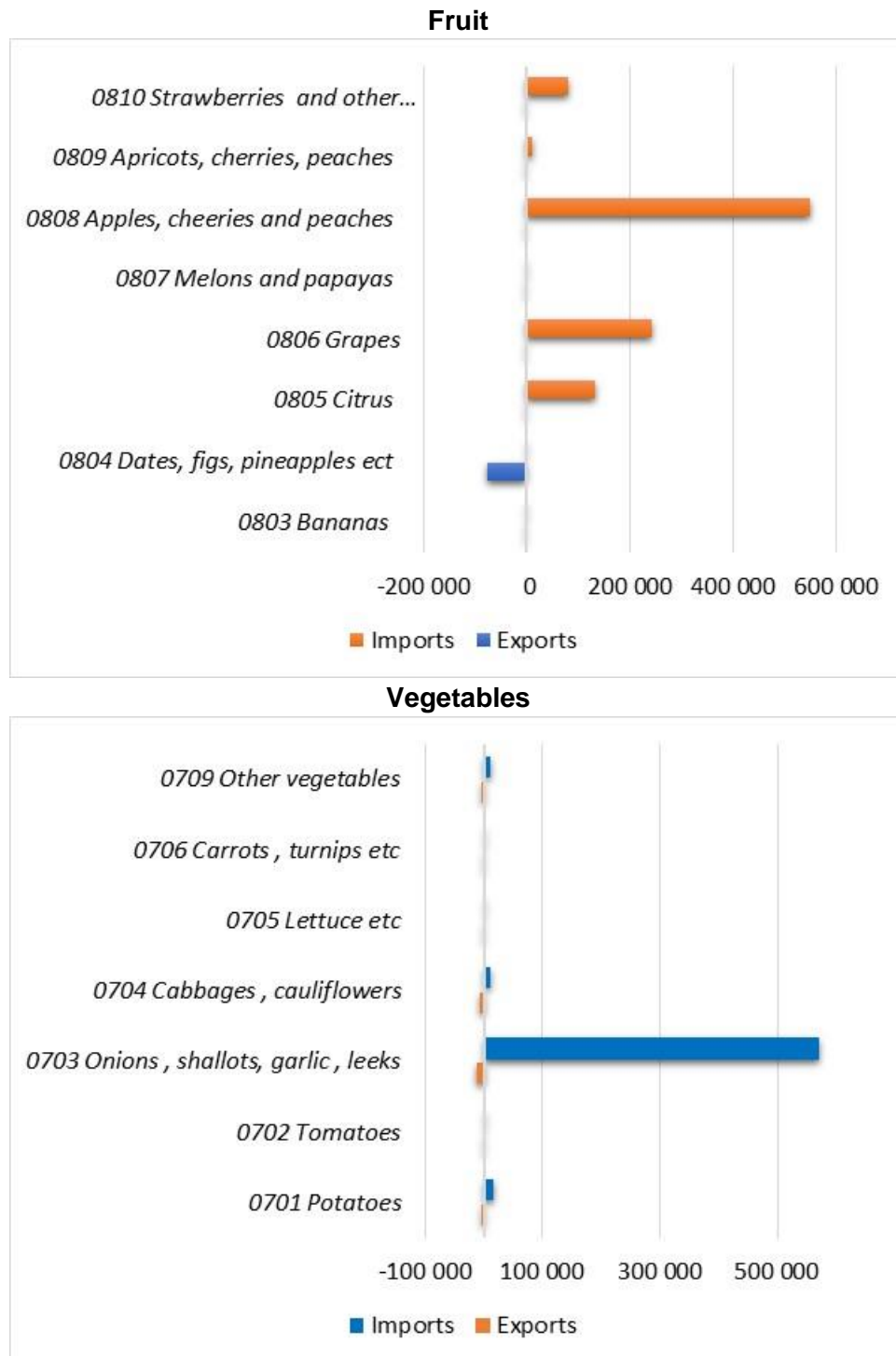
Figure 5-8: Trade balance (imports and exports) of fruit and vegetables in Mexico, 2016-20 (EUR 000)



Data for CN code 07 and 08.

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

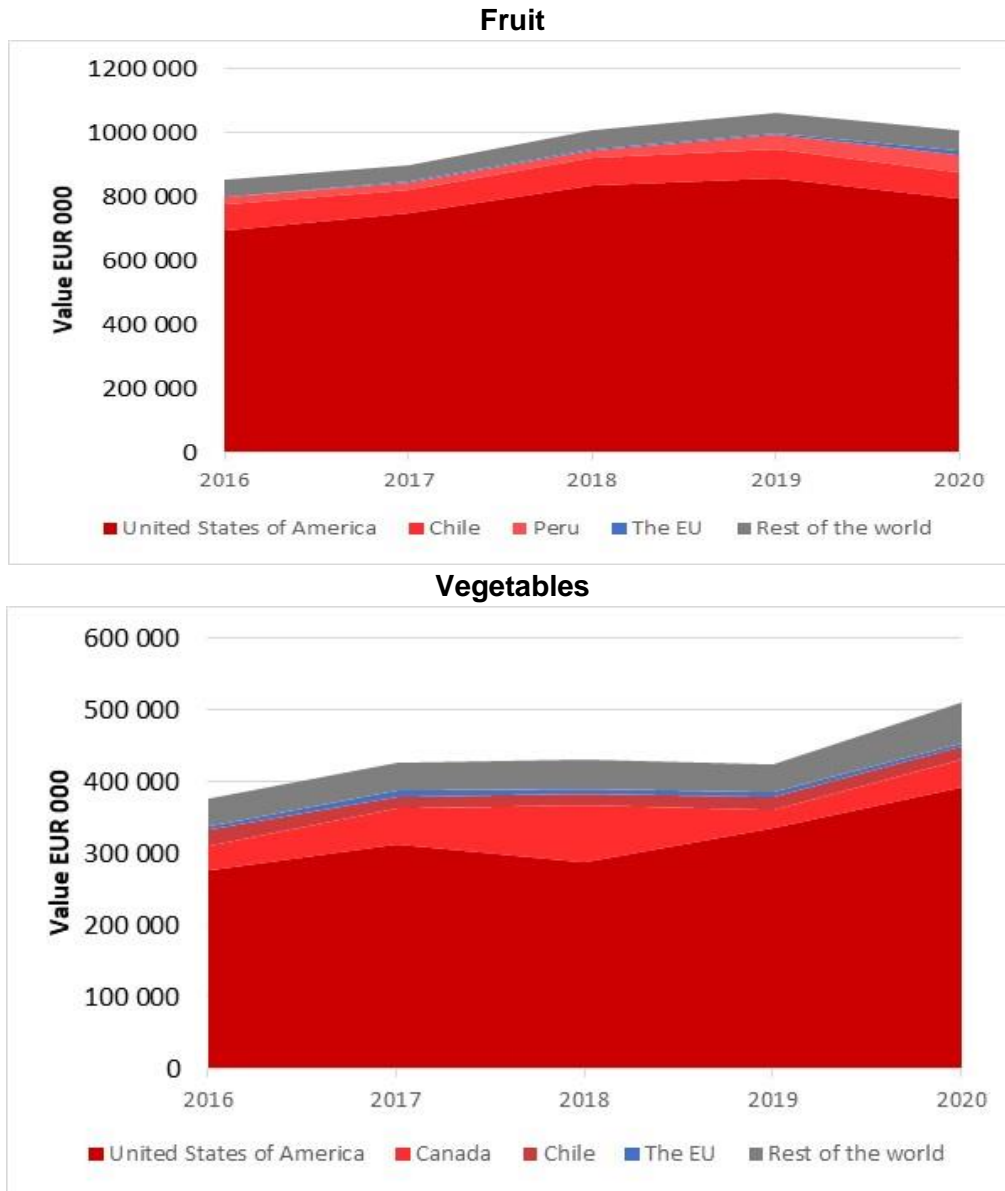
Figure 5-9: Mexican trade balance of fruit and vegetables by type, 2020 (000 EUR; selected types only)



Note: names for CN codes are abbreviated in most cases. Only indicated CN codes are presented here. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

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

Figure 5-10: Mexican imports of fruits and vegetables by country, 2016-20 (000 EUR)



Data for CN code 07 and 08.

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

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)

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.

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 and Peru.

Imports from the EU are historically very small. That said, there are some niche sectors 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.

5.2.4 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 an 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.

Standards, SPS measures

Importation of fresh fruit and vegetables to Mexico requires a 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*)

In case of re-exportation based on the Phytosanitary Certificate, an additional document

applies: the Phytosanitary Re-Export Certificate.

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 the European Commission website:

<http://madb.europa.eu/madb/indexPubli.htm>

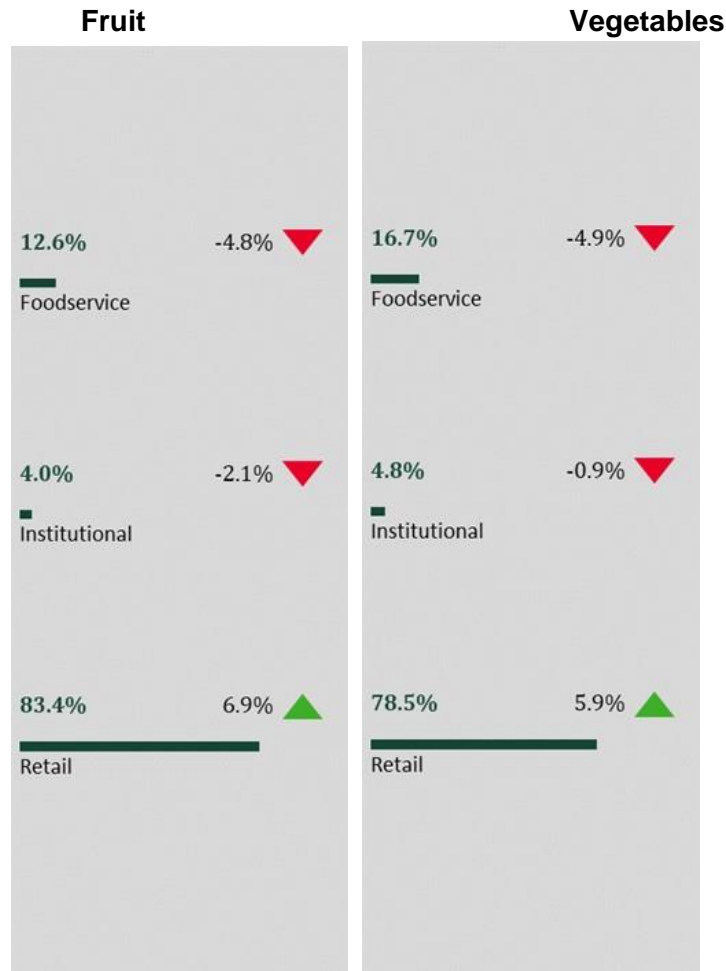
Labelling

As described in section 4.2.2, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

5.2.5 Distribution

As shown below in Figure 5-11, the majority of sales of both fruit and vegetables come from retail which accounts for over three-quarters of sales for both products. This sector has grown its distribution of sales in recent years which is a further reflection of the expansion of the retail sector of Mexico in recent years. The foodservice sector recorded a decline in the total distribution of fruit and vegetables in recent years with the outbreak of COVID-19 largely being the cause. Foodservice sectors were forced to close or remain open under restrictions that dissuaded consumers from visiting these outlets. Institutional outlets likewise suffered a decline in the total distribution in recent years.

Figure 5-11: Distribution of fresh fruit (left) and vegetables (right) in Mexico by volume, 2020



Source: Euromonitor International: Fresh Food, 2021.

5.2.6 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, the export of fresh fruit and vegetables to Mexico may be challenging. For the vast majority of fresh fruit and vegetable products, imports occur only in specific product segments or in case of domestic supply gaps (due mostly to unfavourable weather conditions). The United States is overwhelmingly the largest exporter of both fruit and vegetable products to Mexico and currently enjoys trading advantages over the EU, although this is likely to be lessened once the modernised EU-Mexican trade agreement is in place.

Market Takeaway: Fresh fruit and vegetables

Consumption: Consumption of all fresh fruit and vegetables has been on the rise, including products whose price has increased, e.g., tomatoes, avocados. Total consumption further grew during the outbreak of COVID-19 as consumers became more health-conscious.

Competition: Market almost entirely self-sufficient, with occurring imports from the USA in case of few products and/or poor harvest due to unfavourable weather conditions. The USA is by far the largest competitor for EU producers.

Distribution: Fresh fruit and vegetables are distributed mainly through retail channels (over 70% of shares in terms of total volume). Foodservice sector recorded declining rates of distribution largely attributed to the outbreak of COVID-19

Challenges: Domestic production/self-sufficiency and the historically challenging legislation.

Opportunities: Increasing consumption of fresh fruit and vegetables. Specific opportunities in cases in which domestic production does not satisfy demand, e.g., apples, cherries. Some niche opportunities e.g. aubergines, artichokes, kiwis. Moreover, Mexican consumers tend to place the quality of products very high, sometimes disregarding higher prices, especially for staples. Simplification of import procedures under the updated FTA will balance the current competitive advantages enjoyed by US competitors.

5.3 Dairy

5.3.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of dairy products is high in Mexico and incorporated into many local delicacies. ▪ Cheese, butter and spreads are forecasted to be the fastest-growing dairy products between 2022 and 2025. 	<ul style="list-style-type: none"> ▪ Mexican companies largely dominate the market. ▪ Production of dairy products across most categories is forecasted to continue growing in Mexico.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The EU-Mexico modernised FTA, once in place, is expected to remove tariffs within TRQs and standardise import restrictions. ▪ Demand for high-quality products remains high amongst higher-income earners in Mexico. 	<ul style="list-style-type: none"> ▪ High competition from the US and New Zealand which both have FTAs with Mexico. ▪ The possible impact of future FTAs with third countries.

5.3.2 Consumption

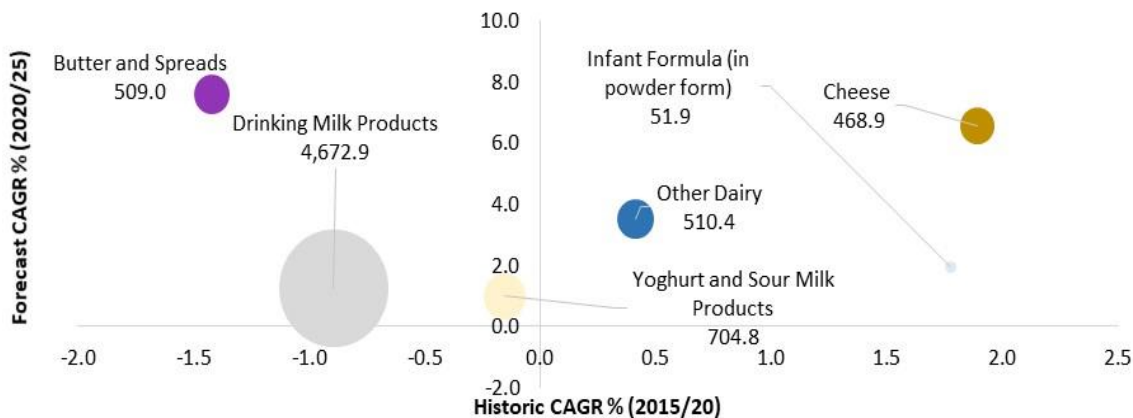
Evolution of consumption

The consumption of dairy products in Mexico has 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 total volume, drinking milk products remains the biggest dairy category in the Mexican dairy market with a total volume of 4.6 million tonnes. This category recorded a negative CAGR of -0/9% between 2015-2019, however, this is expected to turn to a positive CAGR of 1.2% between 2022 and 2025. Yoghurt and sour milk products are the second-largest dairy category in Mexico with a total volume of 704 000 tonnes. This category is expected to grow at a CAGR of 1% between 2022 and 2025 which will see it remain the second largest category.

Butter and spreads are forecasted to be the fastest-growing dairy category in the Mexican market currently with a CAGR of 7.6% expected between 2022 and 2025. This category currently has a total volume of 509 000 tonnes. Cheese is also forecasted to grow rapidly in the Mexican market in upcoming years with a predicted CAGR of 6.6% expected for the product. Currently, cheese has a total volume of 468 000 tonnes.

Figure 5-12: Evolution and forecast of the dairy market in Mexico, 2015-2025 (retail value, EUR million)



Source: Euromonitor International: Packaged Food, 2021.

Consumer profile and purchase criteria

Consumers

The Mexican diet has included dairy products for 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, dairy market, some overarching categories of the 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 below:

Drinking milk products: Mexican consumers are accustomed to drinking 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). The need to stay at home during the outbreak of COVID-19 in Mexico boosted total drinking milk consumption as the product is a key source of nutrition that can be consumed at home without major preparation.

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 as 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. The outbreak of COVID-19 in Mexico negatively impacted total sales of yoghurt in the country as educational institutions and offices began to close which were both key drivers of yoghurt sales in the country, however, Overall, demand for yoghurt through retail is forecasted to recover to pre-pandemic levels over the forecast period in line with the likelihood of a greater return to the workplace and education establishments as the threat of the pandemic wanes.

Cheese: Cheese is a very popular and widely consumed dairy product 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 the influx of new cheese varieties from both domestic and foreign producers. The EU cheeses that are already on the market enjoy a positive image as they are perceived as being of high quality. The outbreak of COVID-19 in Mexico had a net positive impact on total sales of cheese as consumers purchased products associated with convenience to a higher scale. Regarding imported cheese, most of the cheese imported by Mexico is not meant for retail consumption but used in food service establishments as ingredients in other food products, like pizzas, fajitas and tamales. Consumers from high-income groups also use imported cheese for the preparation of charcuterie boards. Culinary enthusiasts are the second most likely consumer group along with high-income earners to consume imported cheese, with this group often using imported cheese to prepare European inspired dishes such as lasagna and pasta.

Butter and margarine: Consumers in Mexico perceive butter as much healthier than margarine, which in general is regarded as a source of unhealthy saturated fats. Moreover, regardless of 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. As a result of its healthier perception, Butter has become popular amongst health-conscious and fitness-oriented consumer groups, as butter is perceived to be rich in nutrients and is linked to a healthier lifestyle. Total sales of butter and spreads declined rapidly in 2020-2021 due to the outbreak of COVID-19 which caused many foodservice retailers who use these products daily such as hotels and restaurants to close or remain open with significantly less footfall. Imported butter in Mexico is most likely to be used in the foodservice sector amongst high-end bakeries in the preparation of confectionery and baked goods, these products are most likely to be consumed by high-income consumers.

'Other dairy': Cream, condensed milk and *fromage frais* lead the sales in the other dairy segment, as they have had their use in Mexican cuisine for a long time. Mexican consumers often choose these products to prepare favourite dishes or desserts. Due to the fact that the category has been rather mature, domestic producers have introduced many innovations relating to protein content or organic products. New nutritional labelling requirements that were introduced in October 2020 in Mexico (see section 4.2.2) require manufacturers to display the proportions of certain ingredients such as fat, sugar, and sodium with black seals around the packaging with the words "Excess sugar", while products that contain artificial sweeteners must display the words "Contains artificial

sweeteners”. This will likely impact sales to consumers who are particularly health-conscious.

Drivers and method of consumption

Dairy consumption is mainly driven by Mexican dietary habits, where milk or cheese is often indispensable. Moreover, consumers in Mexico believe that certain dairy products carry additional health added value, such as drinking milk. Another driver 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 a drinking beverage, the latter is, Cheese is a staple in Mexican cuisine, used to prepare most Mexican dishes; it is most commonly consumed at dinnertime, mainly in *quesadillas* and *sincronizadas*, very often in the melted form. The two most widely used types of cheese in Mexican cuisine are queso fresco and queso Oaxaca. Both kinds of cheese are white in colour. Queso fresco is commonly found crumbled as a garnish on tacos and tamales. It is similar in taste to feta and parmesan, and it has a mild salty and nutty flavour. Queso Oaxaca is used in the preparation of authentic *quesadillas*. In relation to imported cheese particularly, imported cheese does not often reach consumers directly, instead of in prepared dishes in high-end foodservice outlets and restaurants specialising in foreign cuisines, including Italian and French cuisine. 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.

The outbreak of COVID-19 in Mexico has unsettled the dairy market in the country with products regularly sold through food retail establishments such as butter and spreads and yoghurts seeing a decline in total sales. Convenience and adaptability became a new driver of consumption in the period between 2020 and 2021 with cheese and drinking milk products benefiting the most from this new driver as consumers were more likely to remain in the home for a prolonged period of time.

Purchase criteria

Mexican consumers tend to primarily base their purchases on two factors: price and products’ usability 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 the 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. Increasingly, Mexican consumers also prefer packaged cheese as appreciation grows for the convenience of the format, particularly among consumers with busy lifestyles as they return to their daily routines in terms of work or school.

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 consumers’ 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 consumers interested in these qualities. A new labelling requirement introduced in 2020 requires manufacturers to display the proportions of certain ingredients such as fat, sugar, and sodium with black seals (see section 4.2.2). This in

part has acted as a new purchasing criterion for consumers who have become more health-conscious during the COVID-19 pandemic. Consumers are increasingly seeking out these labels to inform themselves about the proportion of ingredients used in their products, including dairy.

Dairy on retailers' shelves in Mexico

Imported dairy products from the EU are sold in many different stores in Mexico. Prices are usually displayed and vary according to different factors such as quality. Local dairy products are generally more affordable than their imported counterparts. Online sales of dairy products are rare.

Imported cheese from the EU commonly retail at the following prices:

- Economy: up to EUR 4.50 per 400 grams
- Mid-range: EUR 4.50 to 11 per 400 grams
- Premium: above EUR 11 per 400 grams



Above: EU cheese imports on Mexican supermarket shelf

Imported cheese is mainly purchased by family households or men and women between 35 and 55 years who look for a culinary experience as well as good quality and flavour. Consumers of in particular premium products commonly have great purchase power. Most Mexican cheeses come in 400 gr packs. Imported cheese also is packed in 400 gr packs, however, also many smaller pack sizes exist and are common particularly for premium cheeses. Imported cheese is packed in different materials with the most common ones being blister and strip packs, folding cartons, thin wall plastic containers, bag in box or stand-up pouches. However, premium cheeses are mainly sold in blister and strip packs.

Imported butter from the EU commonly retails at the following prices:

- Mid-range: up to EUR 3.50 per 200 grams
- Premium: above EUR 3.50 per 200 grams



Above: EU butter imports on Mexican supermarket shelf

Imported butter is mainly purchased by family households or men and women above the age of 35 who enjoy the liberation of social occasions, culinary experiences and great taste and textures. Imported butter is displayed at eye sight level or in a touch position. Butter is sold in thin wall plastic containers or is wrapped in flexible aluminium, paper or plastic.



Above: Butter sold in thin wall plastic containers or wrapped in flexible aluminium, paper or plastic

Dairy products in general are sold in the fridge section of stores as they require constant cooling. Fridges are either high or flat. Different types of products are usually displayed on different shelves or next to each other. Usually, there are separate sections for cheese, butter, yoghurt or milk products. Cheese is often also grouped on the shelves according to the type of cheese. Discounts and promotions might be available from time to time.



*Above: Cheese organised by type of cheese
Below: Cheese displayed in a flat fridge*



Pictures: © Agra CEAS / Euromonitor International, 2022.

Recent market trends

The introduction of new labelling requirements in 2020 coupled with the outbreak of COVID-19 in Mexico has been the two key trends impacting the dairy sector of the country recently. The outbreak of COVID-19 has increased demand for foods that can complement home cooking such as butter and spreads and yoghurt however total sales of these products declined in 2020 due largely to the closure and restrictions put in place on foodservice outlets. The introduction of a new mandatory nutritional labelling requirement in 2020 (see section 4.2.2) has allowed consumers, particularly those who are health conscious, to examine the content of dairy products which has helped to raise demand for healthier variants of dairy products such as low-fat and lactose-free dairy products. Looking ahead, butter, spreads and cheese are forecasted to be the fastest-growing dairy products in Mexico, although drinking milk products will remain the largest dairy product consumed in Mexico.

5.3.3 Offer

Domestic production

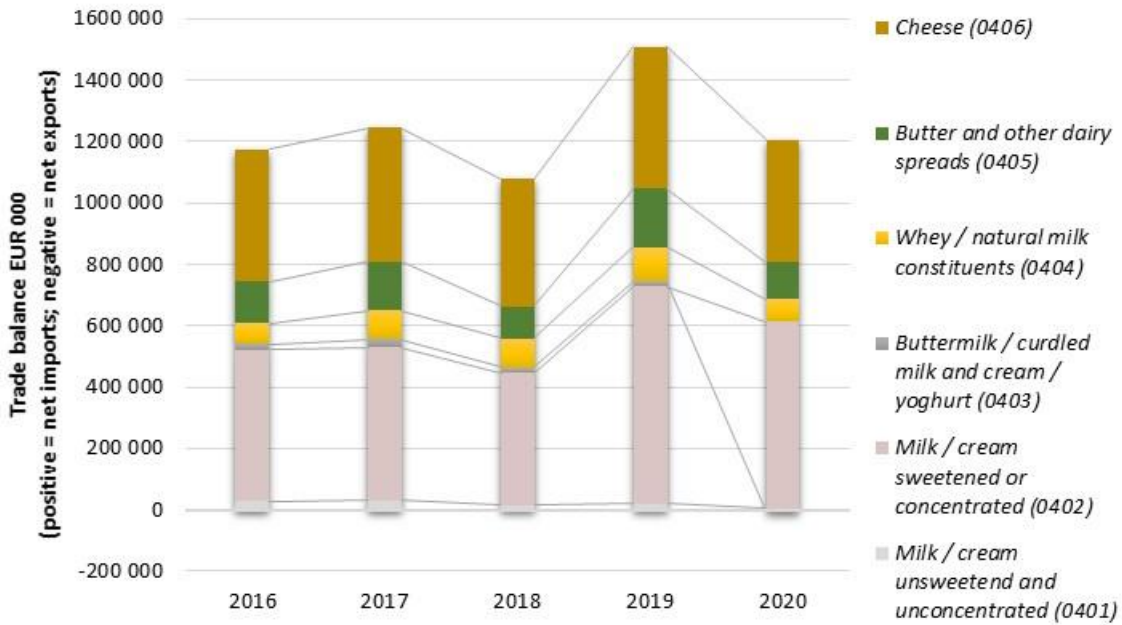
Mexican dairy production remained resilient during 2020 despite the wider COVID-19 pandemic. Mexico's dairy production is comprised of roughly 250 000 dairies, the majority of which are made up of micro and small operations which incorporate less than 100 cows each. The Laguna region is the largest milk-producing region in Mexico, accounting for 39% of the total national production of milk. Production of cheese in 2021 is estimated to be around 448 000 tonnes with soft cheese representing roughly three-quarters of production. Production of butter is estimated to be around 235 000 tonnes in 2021 with the market dominated by three large companies.⁴⁶ Today, major cheese-producing areas include Chihuahua, Oaxaca, Querétaro, Aguascalientes, Jalisco, Guanajuato, San Luis Potosi, Michoacán, Puebla, Tlaxcala, Toluca and Chiapas. The three largest butter and spread companies in Mexico are Cremeria Americana SA de CV, ACH Foods Mexico and Upfield Mexico.

Imports and exports

Mexico is a net importer of most dairy products. The only exceptions are buttermilk /curdled milk and cream/yoghurt products for which Mexico had a trade surplus in 2020. Milk/cream sweetened or concentrated was the largest dairy product imported by the country in 2020, with a total import value of EUR 682 million, followed by total cheese imports worth EUR 419 million. Butter imports were worth EUR 126 million and whey/natural milk constituent imports EUR 73 million. Overall, total imports of dairy products in 2020 came to a value of EUR 1.3 billion while total exports came to a value of EUR 115 million. (Figure 5-13).

⁴⁶ Dairy and products annual, USDA, available at: https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20and%20Products%20Annual_Mexico%20City_Mexico_10-15-2021

Figure 5-13: Trade balance (imports and exports) of dairy in Mexico, 2016-20 (EUR 000)



CN codes in brackets.

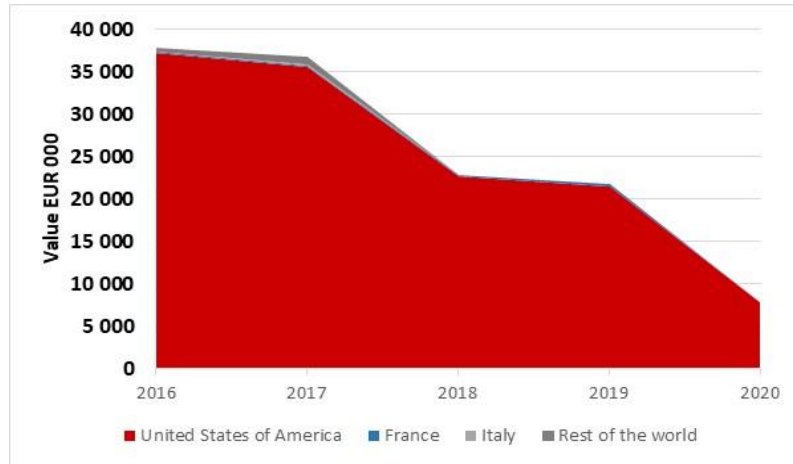
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

The United States is the predominant exporter of most major dairy products to Mexico with the only notable exception being New Zealand which accounts for the majority of butter and spread exports to Mexico. The largest dairy category exported from the EU is the cheese of which the member states of the Netherlands and Spain are the biggest exporters.

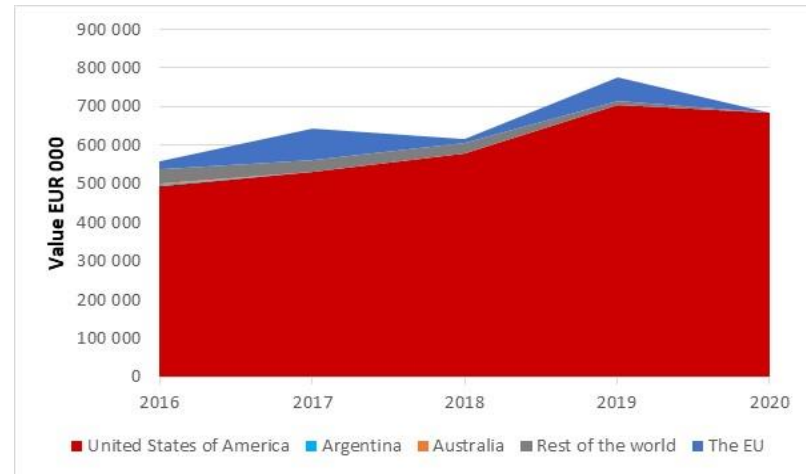
France and Italy are amongst the bigger exporters of milk/cream unsweetened /concentrated dairy products although it is important to note that the US accounts for over 95% of total exports of this product in recent years. France is also amongst the three largest exporters of butter and spreads to Mexico, although New Zealand alone accounts for roughly 90% of total exports of this product to Mexico (Figure 5-14).

Figure 5-14: Mexico imports of different dairy categories by country, 2016-20 (EUR 000)

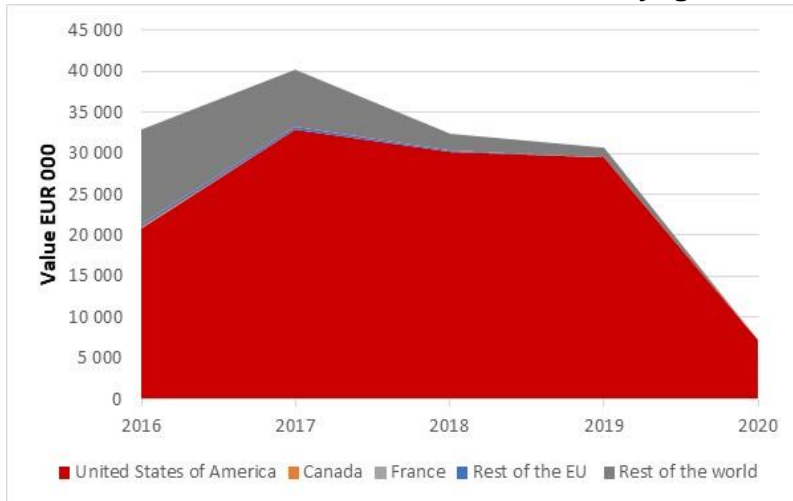
0401 Milk/cream unsweetened/concentrated



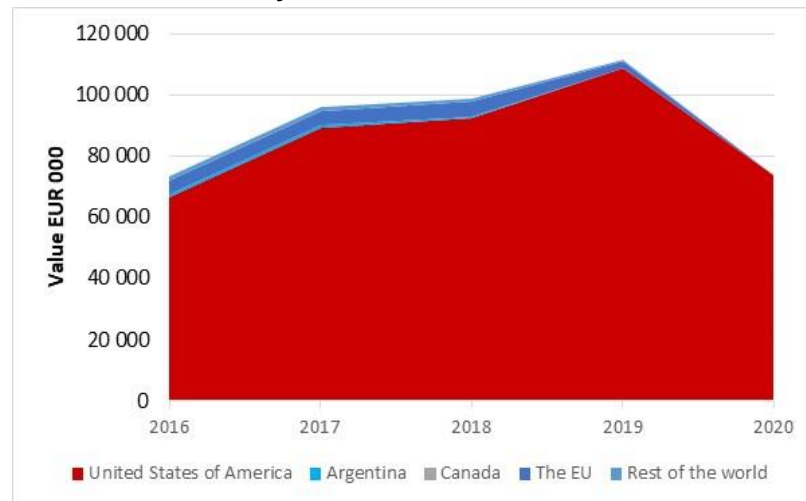
0402 Milk/cream sweetened/concentrated



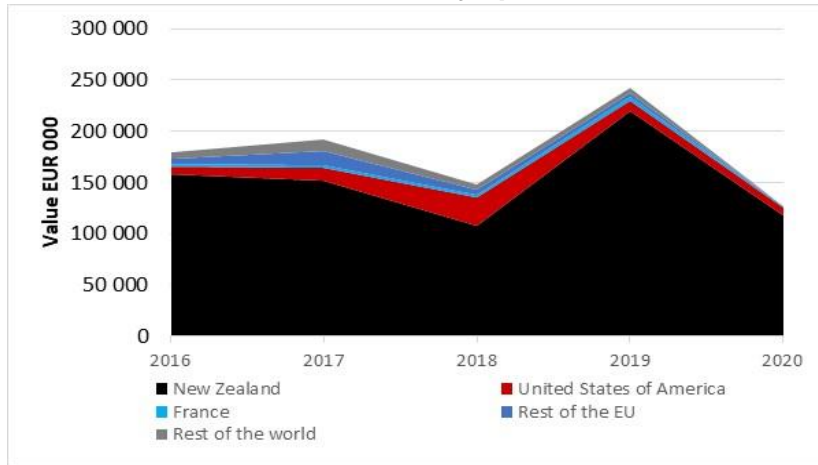
0403 Buttermilk / curdled milk and cream/yoghurt



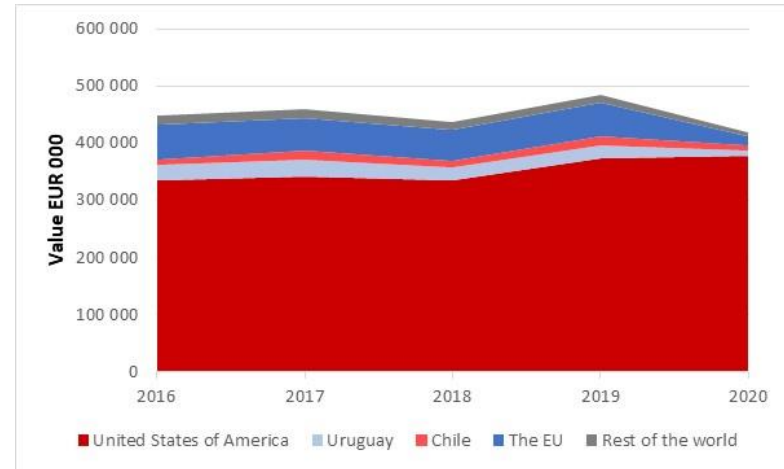
0404 Whey/natural milk constituents



0405 Butter/dairy spreads/



0406 Cheese



CN codes are indicated above graphs.

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

EU GI products

As identified in section 4.2.4 on the 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)
- Esrom (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 Picanteda Beira Baixa) – Portugal
- Telemea de Ibănești (Romania)
- Cabrales (Spain)
- Idiazabal (Spain)
- Mahón-Menorca (Spain)
- Queso Manchego (Spain)¹¹⁴
- Queso Tetilla / Queixo Tetilla (Spain)

Main competitors

Domestic production of dairy products in Mexico is expanding and there are few major producers on the market. In the case of cheese, Sigma Alimentos leads the market with a 15.9% share, offering a vast range of cheese varieties, followed by Grupo Lala which has a share of 14.5%. On the other hand, when it comes to drinking milk products, Grupo Lala has been considerably ahead of other competitors due to its well-developed distribution network and national coverage; the second largest company in this market is Ganaderos Productores. Grupo Lala is also the largest player in the yoghurt and sour milk market with a 21.4% share; however, Danone Mexico and Yakult SA de CV are also major players in this market. Furthermore, Cremeria Americana is the largest producer of butter, followed by ACH foods and Upfield Mexico. Nestle Mexico is the largest player in the other dairy market with a 29.8% share of the market followed by Grupo Lala (20.4%) and Ganaderos Productores (15.6%)

Given that demand is not entirely covered by domestic products, 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 to market entry requirements set out in the General Health Law as described in section 4.2.1.

Standards, SPS measures

A list of standard documents, as well as an 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.

Importation of dairy products to Mexico requires 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 also require an Advance Import Permit. Section 5.1.4 provides more information on the new pre-listing system, which will 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 4.2.2, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation. However, in the case of dairy products, another specific law applies as follows (see section 4.2 for more information):

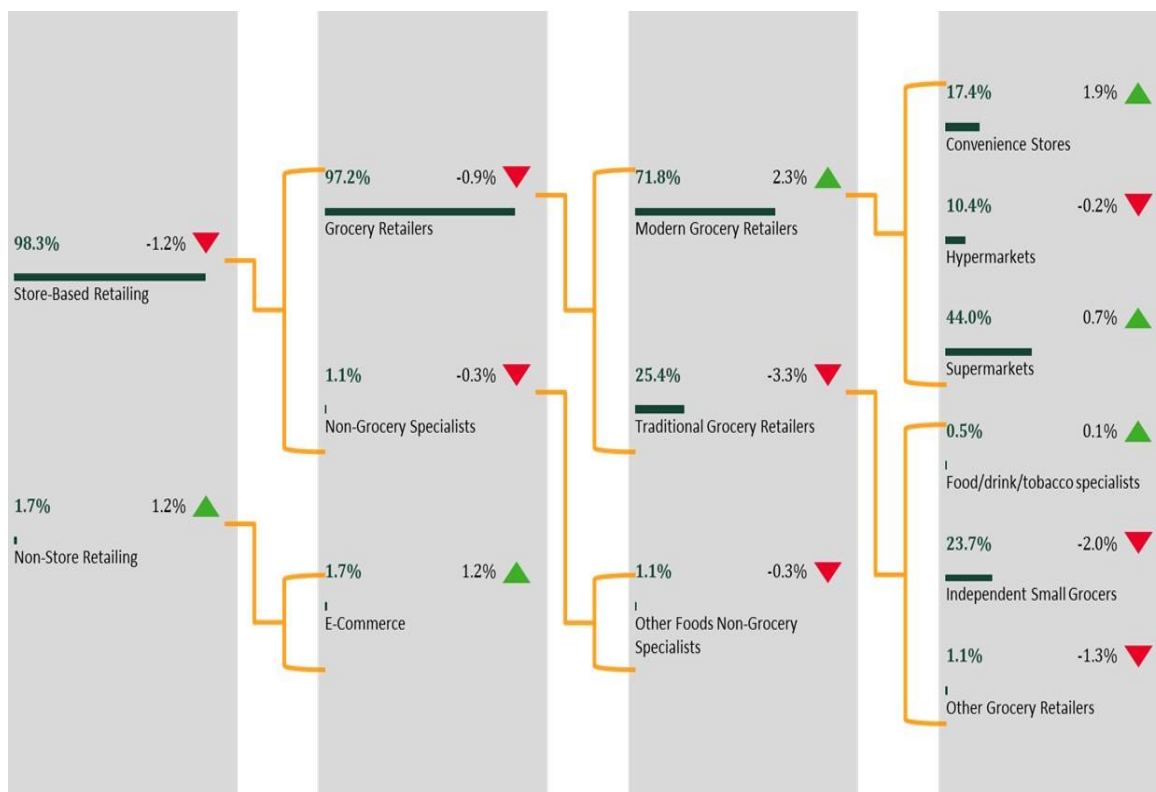
- NORMA Oficial Mexicana NOM-243-SSA1-2010¹¹⁶

5.3.5 Distribution

There are two retail channels important for dairy products distribution: modern grocery retailers and traditional grocery retailers (Figure 5-15). The largest traditional grocery retailer for dairy products distribution are independent small grocers which account for 42.3% of total dairy sales in Mexico. Discounters account for 13.5% of sales and are the second largest distribution channel, followed by hypermarkets (12.2%) and supermarkets

(9.5%). E-commerce emerged as a new channel during 2020 compounded by the outbreak of COVID-19 in Mexico; today this channel accounts for 0.7% of total sales and is forecasted to continue growing.

Figure 5-15: Distribution channel overview of dairy in Mexican (2020); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2021.

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- a 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 is on the rise, especially the consumption of cheese and butter and spreads.

Competition: Strong presence of domestic producers on the market. The USA is a major importer of dairy across different categories except for butter, which in majority comes from New Zealand. The US and New Zealand currently enjoy trade advantages until the modern EU-Mexico FTA is ratified and enters into force.

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

Challenges: High competition from both domestic and foreign producers, and currently lengthy procedures concerning import permits which will be addressed once the modernised EU-Mexico FTA is in place.

Opportunities: The modernised EU-Mexico FTA is expected to facilitate trade relations, while consumption is projected to grow in the next few years, especially in the cheese segment in which EU products already have a good reputation.

5.4 Wine

5.4.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ EU countries are top exporters of wine to Mexico (more than 70% of imports). ▪ Mexican consumers have a preference for imported wines and EU companies have free-duty access. ▪ Mexican consumers are becoming increasingly knowledgeable about wine. 	<ul style="list-style-type: none"> ▪ Consumption of wine is very low compared to beer. ▪ New world and US wines are gaining larger market shares.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Young consumers and women are driving sales of white wine. ▪ Premium wine is a growing segment among upper-income consumers, who prefer European wines. ▪ Importance of e-commerce is likely to grow. 	<ul style="list-style-type: none"> ▪ Dynamic domestic production. ▪ The market is forecast to grow at much lower rates than in previous years.

5.4.2 Consumption

Evolution of consumption

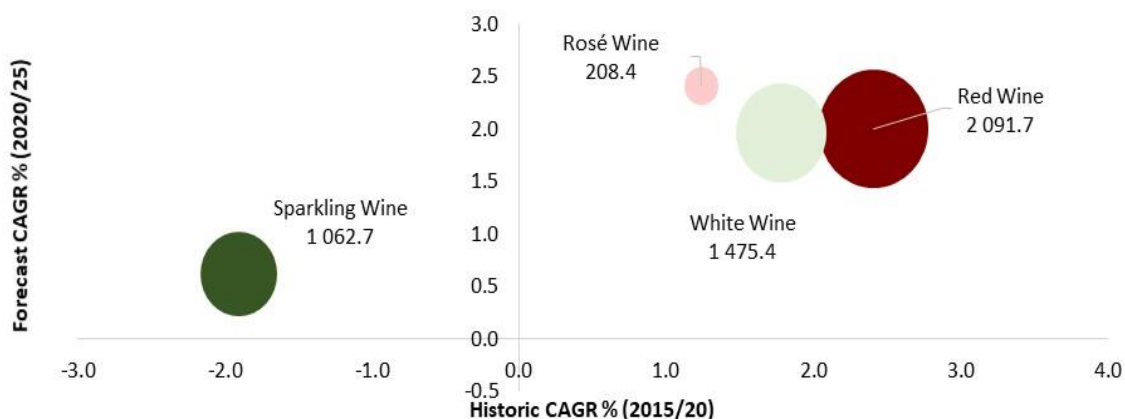
Mexico is placed among the countries with the fastest growing wine consumption worldwide (albeit from a low base), which makes it a fascinating market for EU importers. Driven by the popularity wine has been gaining among certain consumers categories, primarily women and young people, sales are currently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

The total market size of the wine market in Mexico in 2019 was close to EUR 1.83 billion. Red wine is the most popular variety in Mexico, with a total value of around EUR 1.14 billion. The market size of other categories of wine recorded far lower sizes in 2019, namely EUR 410 million (sparkling wine), EUR 216 million (white), and EUR 47 million (rosé). As indicated in Figure 5-16, total consumption of sparkling wine recorded the most dynamic growth between 2014 and 2019 (11.4% per year), followed by red wine (7.1%), white wine (5.8%), and rosé wine (4.6%). The wine market is forecast to grow much less between 2019 and 2024 compared to previous years. Red wine is forecast to grow at a CAGR of around 2.4%, while the white wine market is forecast to grow at about 1.2%. The white wine market is forecast to grow at an even lower 1.2% and the rosé wine market is forecast to decline by approximately -1.5%.

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 2014 and 2019. Per capita consumption of wine is expected to remain broadly stable over the next few years, with the exception of red wine. In 2019, per capita consumption varied

between categories, ranging from less than 0.1 litres (rosé wine) up to 0.6 litres (red wine). By 2024 red wine per capita consumption is set to reach 0.7 litres⁴⁷.

Figure 5-16: Evolution and forecast of wine market in Mexico, 2015-2025 (EUR million)



Source: Euromonitor International: Alcoholic Drinks, 2021.

Consumer profile and purchase criteria

Consumers

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.

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 increases, which allows them to purchase wine more frequently.

Wine consumers in Mexico may be grouped into three main segments, which account for most consumption both in terms of volume and value^{48; 49; 50}:

- **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 with high quality and sophistication. This niche indeed accounts for most purchases in terms of value.

⁴⁷ Euromonitor International: Alcoholic Drinks, 2021

⁴⁸ Euromonitor International: Alcoholic Drinks, 2021.

⁴⁹ Incrementa consumo de vino en México, <http://www.milenio.com/estilo/incrementa-consumo-de-vino-en-mexico>

⁵⁰ Análisis del mercado del vino en países de Latinoamérica: México. Available at : http://www.tv.camcom.gov.it/docs/Corsi/Atti/2015_06_23/Market_Analysis_mex.pdf

- **Consumers aged 25-40, with 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, also often visit other areas such as Jalisco, Baja California and Oaxaca.
- **Wine connoisseurs:** Moreover, with women, one of the leading consumer groups of wine, increasingly participating in the labour market, wine consumption is expected to increase in the future.

Geographically, there is a higher level of wine consumption in the central and northwestern 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 tourism.

Drivers and method of consumption

The outbreak of the COVID-19 pandemic negatively impacted the wine sector in Mexico. In 2020, in particular, the on-trade channel suffered from the pandemic as channels had to close for several weeks and faced other limitations such as a restricted capacity and opening hours. With the reopening of the HORECA channel, the on-trade sales of wine are likely to return which possibly creates positive growth in 2021. Home consumption of wine on the other hand increased during the pandemic, as it was driven by increased stress levels and boredom at home. Moreover, consumers started to be more open and interested in trying new beverages and varieties of wine at home to treat themselves. Health-conscious consumers are likely to switch from spirits to other lighter alcoholic beverages such as wine.⁵¹

Before the outbreak of the COVID-19 pandemic, Mexican consumers generally purchased wine once in six months, with sales dropping during the hottest months of March, April and May. 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, red wine is the most popular variety in Mexico. 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 of sales of red wine in terms of volume. Tempranillo and Merlot follow. Rich and velvety reds are widely preferred.
- **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.

⁵¹ Euromonitor International: Alcoholic Drinks, 2021.

- **Rosé wine:** Zinfandel accounts for over 60% of sales, with the remaining varieties each holding a minor share of the market.

The 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. Sparkling wine is a celebratory beverage and is often consumed for special occasions such as weddings and birthdays.

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 the 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. The price sensitivity of consumers has been an overall increase since the outbreak of the COVID-19 pandemic due to its negative impacts on the economy. As a result, an increasing number of consumers likely switched to more affordable labels and types of wines.⁵² Despite the growing presence of Chilean and Argentinian wines in the Mexican market, brand loyalty, recognition and appreciation will see EU wines remain the preferred wine in the country going forward.

Wine on retailers' shelves in Mexico

Imported wine from the EU is sold in stores as well as online. Prices are usually displayed and vary according to different factors such as quality, although this might not always be the case in some specialty shops. In Mexico, wine is mainly sold in 750 ml glass bottles. Imported wine commonly retails at the following prices:

- Economy: between EUR 7 and 12 per 750ml bottle
- Mid-range: EUR 13 and 30 per 750 ml bottle
- Premium: above EUR 30 per 750 ml bottle

Wine from the economy segment is mainly purchased by men and women above 25 years old, who like to share their wine with friends or family and enjoy culinary experiences. Consumers of higher-end wines are usually women and men between 35 and 55 years old who enjoy everyday indulgence and look for a drink to pair with their food. Premium wine is mainly purchased for its great taste, texture and freshness as well as for status projection. Most imported wines can be found at eye level on supermarket shelves, yet some might be positioned slightly higher or lower. Higher-end wine imported from the EU is most of the time more expensive than similar local products, however, imported wine from the economy segment in some cases is cheaper than similar local products.

⁵² Euromonitor International: Alcoholic Drinks, 2021.



Above: Different priced wines on supermarket shelf



Above: Wine organised by type on shelves

Wine shelves in stores are often organised according to type and taste (e.g. red, white or rosé wine; or sweet or dry wine). Discounts might be available. In some supermarkets, the wine shelves are of superior quality to the shelves that display groceries. Very premium products are sometimes displayed on separate shelves and are secured behind glass or with special detectors to prevent items from getting stolen.



Above: High quality wood wine shelves in supermarket

Below: High quality wines secured behind glass and with detectors



Pictures: © Agra CEAS / Euromonitor International, 2022.

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 on the rise as seen by the positive performance wine recorded in recent years; however, growth is forecast to slow down in the coming years. Until 2025 total volume sales are forecast to reach 142 million litres. In 2020, the sales of wine were strongly impacted by the COVID-19 pandemic and total volume sales decreased by about 12%.

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 group is eager to try new products, and many of them find a 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.

Since the outbreak of the COVID-19 pandemic, sales of sparkling wine have been negatively affected due to fewer social gatherings taking place. On the other hand, they have been positively affected by the entry of more brands, that now overall offer a larger variety of products to various price points. Home seclusion during the pandemic positively affected e-commerce sales, which is why companies invest more money into websites and online marketing.

At home drinking has also emerged as a new trend in the wine and wider alcohol segment. Home confinement, induced by the COVID-19 crisis and a market shortage of beer in Mexico, contributed to the growth of wine consumption in Mexican households. Low alcohol wines are also growing in popularity as consumers have become more health-conscious in recent years.

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

5.4.3 Offer

Domestic production

Although limited, Mexican wine production is very dynamic. With an area of nearly 1 480 hectares of winegrapes, the country is estimated to currently produce almost 36 million litres of wine per year and utilises around 73 thousand tonnes of industrial grapes. In addition, the industry generates more than 500 thousand jobs, which makes it the second source of employment in the Mexican agricultural sector.⁵³

⁵³ <https://www.gob.mx/agricultura/articulos/vino-mexicano-igual-a-excelencia?idiom=es>

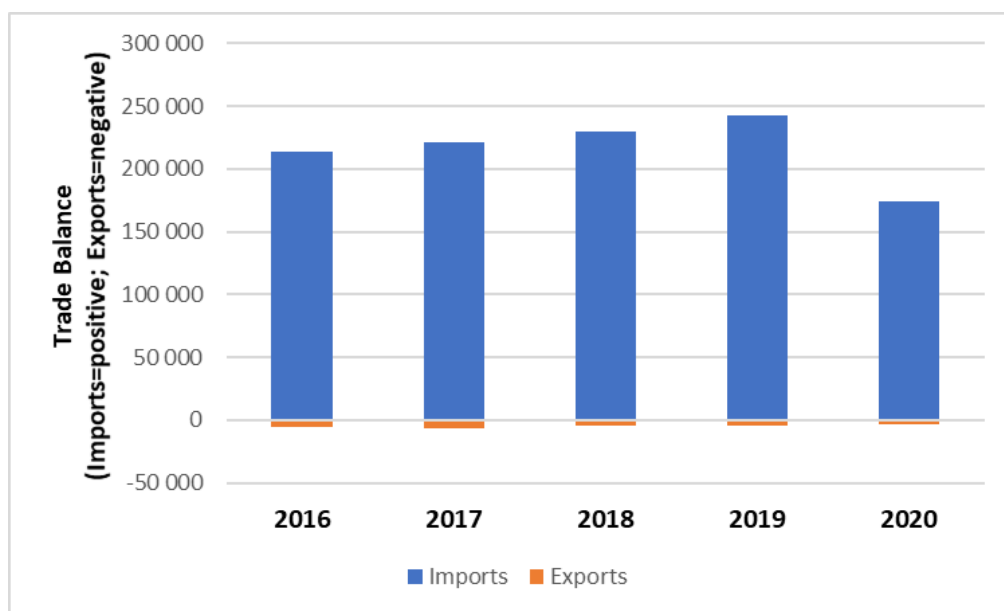
The value of the domestic production is estimated at over 3 billion Pesos (EUR 140 million approx.).

Domestic production focuses on red (80%), white (15%), and sparkling (5%) wines. Baja California accounts for 65% 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 the 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^{54; 55; 56}. Domestically produced wines are improving in quality, and therefore may begin to pose more significant competition to imported wines in the near future.

Imports and exports

As shown in Figure 5-17, due to the relatively low volumes produced in Mexico, the majority of wine consumption depends on imports. Mexico is by far a net importer of wine. Imports increased between 2016 and 2019 and decreased in 2020. Total wine imports in 2020 amounted to about EUR 175 million whereas exports were around EUR 3 million. The value of exports has been fluctuating a bit more than imports and decreased since 2018.

Figure 5-17: Trade balance (imports and exports) of wine in Mexico, 2016-20 (EUR 000)



Data for CN code 2204.

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

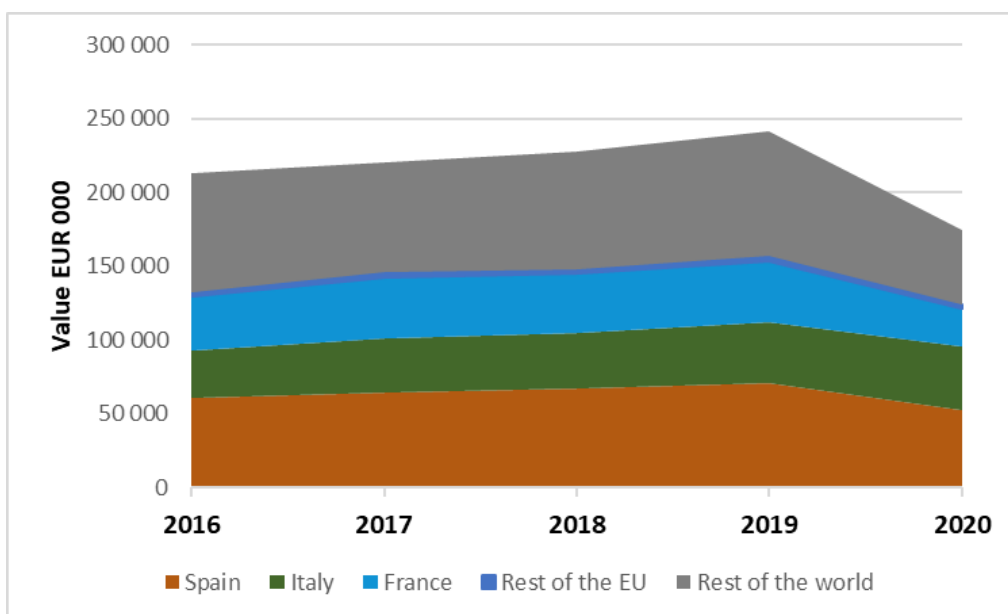
⁵⁴ El mercado del vino mexicano, <http://revistaelconocedor.com/el-mercado-del-vino-mexicano/>

⁵⁵ El mercado de vino en México, francamente 'verde', <http://www.elfinanciero.com.mx/bajo/el-mercado-de-vino-en-mexico-francamente-verde>

⁵⁶ Análisis del mercado del vino en países de Latinoamérica: México. Available at: http://www.tv.camcom.gov.it/docs/Corsi/Atti/2015_06_23/Market_Analysis_mex.pdf

Mexico mainly imports wine from Spain, which exported wine worth about EUR 53 million to the country in 2020 (Figure 5-18). In 2020 Spain accounted for 30% of wine exports to Mexico and the EU as a whole for more than 70%. The second biggest EU wine exporter to Mexico was Italy with exports worth approximately EUR 43 million, followed by France with about EUR 25 million. In total, five out of the top ten exporters to Mexico are from the EU. Other EU exporters include Portugal and Germany. The main non-EU competitors are Chile, the USA and Argentina.

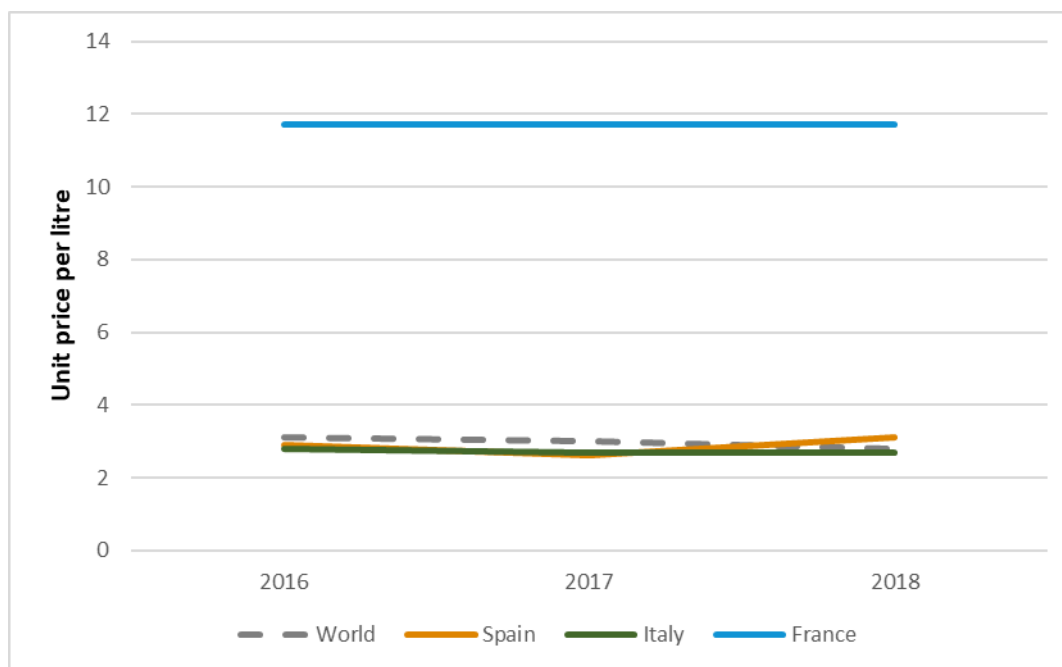
Figure 5-18: Mexican imports of wine by country, 2016-20 (EUR 000)



Data for CN code 2204.

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

The world's average unit value of Mexican imports in EUR per litre in 2018 was about EUR 2.9. Spain had a unit value slightly above that of the world's average one of about EUR 3.1 and Italy's unit value on the other hand was just below the world average at around EUR 2.8. By comparison, the unit value of wine from France was more than four times higher than the world average at around EUR 11.7 in 2018.

Figure 5-19: Mexican imports of wine by country, 2016-18 (EUR per litre)

Data for CN code 2204.

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

EU GI products

As reported in section 4.2.3, 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.

Main competitors

Although European wines dominate the Mexican market, Latin American wines, especially from Chile and Argentina, as well as US wines, have been very popular for years now and are perceived as affordable and good-quality products⁵⁷. 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, although modest, domestic production is dynamic and 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. While Mexican domestic wine production is growing, it is not foreseen to be a significant competitor to EU wines in the market in the short run.

⁵⁷ Euromonitor International: Alcoholic Drinks, 2021

5.4.4 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 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>

Standards, SPS measures

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

Labelling

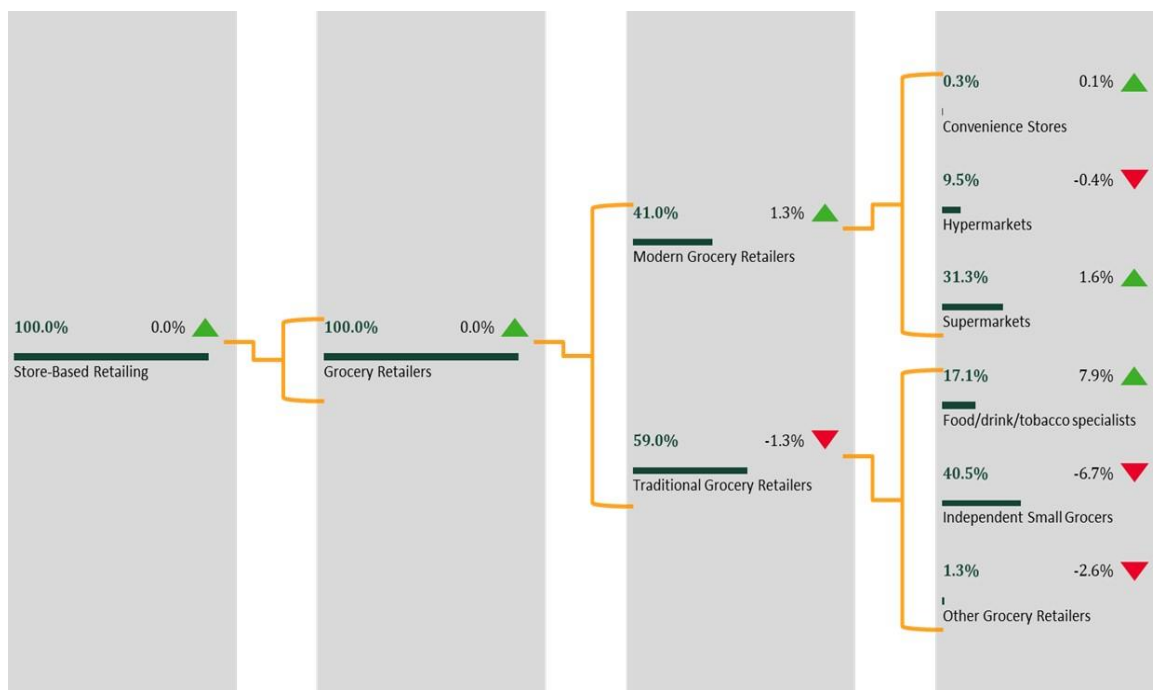
As described in more detail in section 4.2.2 (see in particular Table 4-3), wine must comply with the specific labelling rules concerning alcoholic beverages set out in Norma Oficial Mexicana 142, or NOM-142-SSA1/SCFI-2014, and Norma Oficial Mexicana 199, or NOM-199-SCFI-2017.

5.4.5 Distribution

In Mexico, wine volumes are mostly distributed through off-trade channels (79%), although sales through HoReCa channels (most notably through restaurants) are slightly more significant in terms of value⁵⁸. As reported in Figure 5-20, almost all wine in Mexico distributed through off-trade channels is sold at store-based retailers, specifically grocery retailers. Of these, in 2019 the majority were supermarkets (35.7%), food/ drink/ tobacco specialists (29.2%) hypermarkets (24.8). Food/drink/tobacco specialists and hypermarkets recorded the fastest growing trend (+0.2%). E-commerce remains stable at 1.1%.

⁵⁸ Euromonitor International: Alcoholic Drinks, 2021

Figure 5-20: Distribution channel overview of wine in Mexico (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.4.6 Challenges for EU products

Wine consumption remains modest in Mexico, compared to European levels. Furthermore, EU companies, although 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: *The market had a value of about EUR 1.14 billion in 2019. Consumption of red wine is forecast to grow at the highest 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 competition with products from Chile, Argentina and the US*

Distribution: *Wine is mainly distributed through grocery retailers, mainly by 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: *The wine market is forecast to grow at a much slower pace than in previous years and consumers are not educated about 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.*

5.5 Spirits

5.5.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Spirit consumption is high in Mexico and associated with many aspects of social life. ▪ Mexican consumers are increasingly appreciative of niche imported products which extends to spirits. 	<ul style="list-style-type: none"> ▪ The most popular spirits consumed in Mexico are also largely produced in the country. ▪ Slight decline in overall consumption of spirits in recent years as consumers become more health-conscious.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Modernised EU-Mexico FTA will enhance GI protection of spirits combined with the facilitation of trade. ▪ Rebound of tourism in Mexico is expected once the more immediate impacts of COVID-19 have receded. 	<ul style="list-style-type: none"> ▪ UK and US are both large exporters of spirits to Mexico with an overlap in EU spirits occurring. ▪ The outbreak of COVID-19 severely hit the on-trade service sector, which may take years to recover, and this impacts the sale of premium spirits particularly.

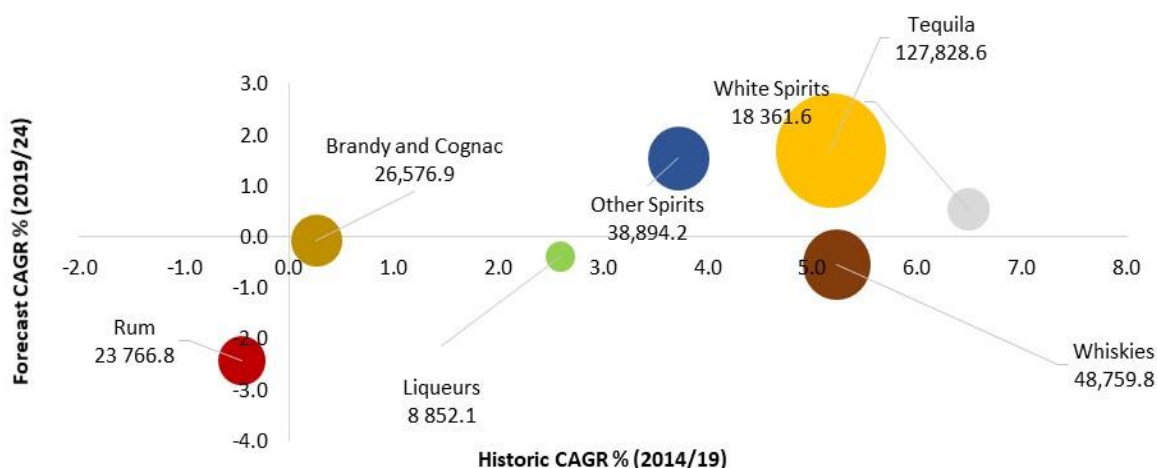
5.5.2 Consumption

Evolution of consumption

As shown below in Figure 5-21, tequila is the largest spirits product in Mexico with a total volume of 127 800 tonnes in 2020. Tequila is forecasted to grow at a CAGR of 1.7% between 2021 and 2024 which will see it remain the largest spirits product in Mexico by volume. Whiskies are the second-largest spirit product in Mexico with a total volume of 48 760 tonnes; although forecasted to decline by a negative CAGR of -0.5% between 2021 and 2024, they will remain the second-largest spirit product by volume.

The 'other spirits' category is forecasted to grow at a CAGR of 1.5% between 2021 and 2024, with the category presently having a total volume of 38 900 tonnes. Brandy and cognacs have a total volume of 26 600 tonnes, followed by rum with a total volume of 23 750 tonnes. White spirits were the fastest-growing spirit in Mexico in recent years, recording a total CAGR of 6.5% between 2014-2019, although they currently have a relatively modest total volume of 18 350 tonnes. Liquors is a relatively small category in Mexico with a total volume tonnage of 8 850 tonnes.

Figure 5-21: Evolution and forecast of spirits market in Mexico, 2015-2025 (EUR million)



Source: Euromonitor International: Alcoholic Drinks, 2021.

Consumer profile and purchase criteria

Consumers

The consumption of spirits is high in Mexico with the average Mexican consuming 4.2 litres of spirits per year. Spirits like tequila and mezcal have always been an essential part of 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.

Mexican households, on average, purchase 3.57 litres of alcoholic beverages (not considering beers), with tequila and spirits being the most popular. The second position for the number of families that acquire them is whiskey (12% of households), and the third is brandy (7.4% of households). In relation to imported varieties of spirits, imported gin and vodka are consumed mainly by men and women from mid-and high-income groups while Imported Liqueur is most likely to be consumed by men and women from medium and high-income backgrounds, between 18 and 65 years old. The main consumer group for imported cognac in terms of frequency is affluent men over 30 years of age while imported whiskey consumers can come from any age bracket.

A breakdown of general aspects of spirit consumption is outlined below:

- **Age:** While millennials (which make up nearly 30% of the Mexican population) have a distinct preference for vodka-based cocktails, adults now perceive gin as a classy and more interesting 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 status symbols in Mexico. Sales of tequila, which is currently particularly popular among lower-income consumers grew in popularity in 2020 due to the outbreak of COVID-19 which had a large impact on the income levels of Mexican consumers coupled with a rise in appreciation for Mexican produced products.
- **Area of residence:** The percentage of households that consume alcohol by state varies, with Nuevo León having the highest percentage at 9.8% followed by Baja California sur (8.9%) and Sonora (7.57%). The lowest percentage of households that consume alcohol is in Chiapas, Tabasco and Tlaxcala.

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 where the consumption of spirits in on-trade establishments is higher). Consumption of spirits in Mexico is more than just a social event, being often associated with ancient traditions and religious celebrations. It is common for Mexican consumers to consume spirits within a wider circle of friends and family relations which encourages consumers to purchase larger bottles of spirits with the intention of sharing.

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

- The wider choices for consumers, as several new international brands have entered the market, although the outbreak of COVID-19 has kindled a newfound appreciation for Mexican products amongst consumers.
- Total consumption by gender is converging, driven by rising incomes and an increasingly higher purchasing power of females.
- Younger consumers are drawn to non-tequila based spirits in line with a wider demand for new and eccentric products.

Whisky is most commonly consumed with ice or with water. It is also consumed by young adults with Coca-Cola. It is mainly consumed as a recreational or social drink. Cognac is most commonly consumed as an aperitif, on the rocks or in cocktails. It is also used as a digestive, after a meal or dinner, along with a coffee and/or in neat form. Affluent consumers serve expensive cognac after dinner to guests and/or pair it with dessert.⁵⁹ Vodka is considered a social drink and is mainly consumed within bars or restaurants. Liquor is usually consumed neat and also largely within bars and restaurants.

Purchase criteria

Brand reputation is an important factor in the average upper-income consumer's purchase decisionmaking for spirits. Younger consumers and consumers in the middle to higher income class are generally drawn to larger international brands as these brands enjoy recognition in Mexico as well as an association as a status symbol in the country. The outbreak of COVID-19 in Mexico kindled a newfound appreciation for Mexican products in the country, as consumers wished to aid local businesses in times of economic uncertainty; as a result, increasingly the place of origin is becoming a key purchasing criterion in Mexico.

⁵⁹ <https://marcadedewhisky.com/mejores-cognacs-2021/>

Spirits on retailers' shelves in Mexico

Imported spirits from the EU are sold in stores as well as online. Prices are usually displayed and vary according to different factors such as quality. Local spirits are generally more affordable than their imported counterparts. As a result, imported spirits commonly retail at the following prices:

- Economy – up to EUR 20 per 750ml
- Mid – EUR 20 to 30 per 750 ml
- Premium – above EUR 30 per 750 ml

Consumers of imported spirits are usually men and women above the age of 35 who enjoy the liberation of social occasions and have great purchasing power.



Above: Shelf displaying spirits next to wine



Above: Similar kinds of spirits displayed next to each other

Imported spirits are sold in glass bottles and come in different sizes, however, 700 and 750 ml seem to be the most common. Other available sizes include but are not limited to 375 ml, 500 ml or 1 litre. Most imported spirits are displayed at eye level; lower-priced spirits might be positioned slightly higher or lower on the shelves.

Spirits are commonly displayed sold in the alcohol sections. They either have their own shelf or are situated next to other alcoholic beverages on one shelf. Very expensive products are often put behind glass to prevent them from being stolen.



Above: Expensive spirits behind glass to prevent them from being stolen

Below: Price promotions in supermarket



Pictures: © Agra CEAS / Euromonitor International, 2022.

Recent market trends

Spirits purchases in Mexico are significant, as Mexico is a heavy producer of Tequila and Mezcal. Tequila has remained the largest consumed spirit in Mexico by a considerable distance in recent years, despite a rise in alternative spirit consumption such as whiskey and vodka. The outbreak of COVID-19 heavily impacted the on-site distribution of spirits in Mexico with on-trade sales accounting for 19.4% of sales in 2019 which dropped to 11.5%, despite limited restrictions in Mexico when compared to other countries in the region. The spirit industry in Mexico has positioned itself as a key segment of the wider Mexican economic recovery post-COVID, large domestic spirit brands have been investing in key areas of the Mexican agricultural industry which has generated positive public opinion of local brands in the country. This helps to explain why Tequila is forecasted to be the fastest-growing spirit product in Mexico between 2022-2024 with a forecasted CAGR of 1.7%

Craft spirits are growing in popularity in Mexico and are expected to gain relevance over 2022-2025 as consumers become increasingly aware of its presence. Micro distilleries are increasingly more popular, as is the importation of craft spirits from abroad including the EU.

E-commerce has been a major driver of spirit sales recently. As consumers were required to align with social distancing and lockdown rules, they were faced with restrictions on outdoor movements. This forced many retailers to develop their online presence, mostly through specialised online retailing sites. Some relevant platforms for the online sale of spirits are Laeuropeax, Bodegasalianza and Lacastellana.

5.5.3 Offer

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 374 million litres in 2020, recording considerable growth from 271 million litres in 2017⁶⁰.

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 Oaxaca.

In 2019, the first-ever distillery dedicated entirely to the production of Mexican whiskey was opened near Mexico City and is known as the *destilería y bodega abasolo*. Most whiskey produced in Mexico is of the corn whiskey variety.⁶¹

Going forward, tequila and other agave-based spirits will be the largest produced in Mexico as the product has become one of the premier products exported from Mexico and is an important employer in the country.

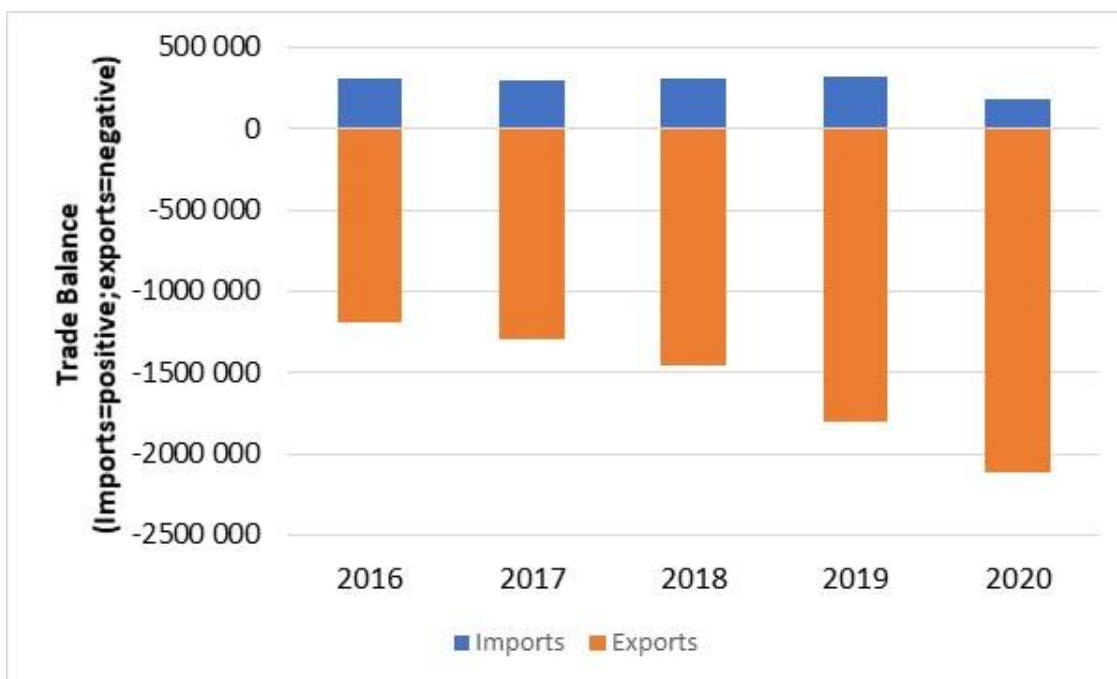
⁶⁰ Tequila production in Mexico from 1995-2020, Statista, available at <https://www.statista.com/statistics/311696/mexico-s-tequila-production/>

⁶¹ Now from Mexico: Corn whiskey, The New York Times, available at <https://www.nytimes.com/2020/05/11/dining/abasolo-ancestral-corn-whisky.html>

Imports and exports

As indicated in Figure 5-22, Mexico is a large net exporter of spirits with the country exporting a total of EUR 2.1 billion worth of spirits in 2020, compared to importing EUR 178 million in the same year. Total exports have been growing exponentially in recent years with the country exporting EUR 1.1 billion in 2016 which grew by a total of 1 billion during the period between 2016-2020.

Figure 5-22: Trade balance (imports and exports) of spirits in Mexico, 2016-2020 (EUR 000)

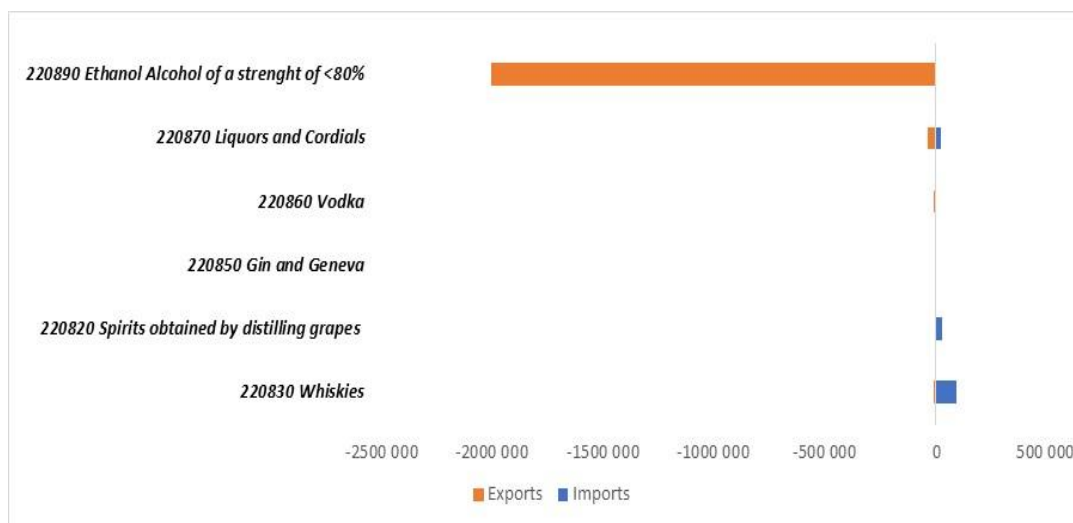


Data for CN code 2208.

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

As shown below in Figure 5-23, ethanol alcohol of strength greater than 80% (which includes Tequila and Mezcal) are by far the largest exported spirits products from Mexico, accounting for 95% of total exports in 2020. Liquors and cordials are the second-largest exported product while other spirit category exports are minimal. Whiskies are the largest imported spirits product into Mexico with the country importing a total of EUR 96 million in 2020.

Figure 5-23: Trade balance (imports and exports) of spirits in Mexico, by type, 2020 (EUR 000)

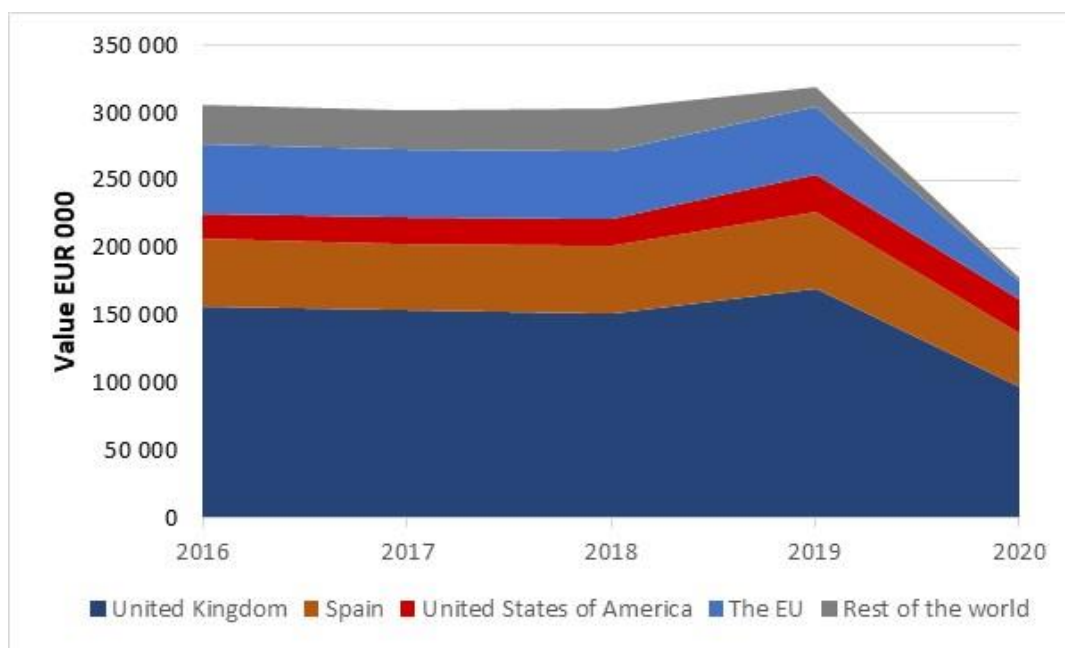


Spirit names shortened. CN codes before spirit name.

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

The United Kingdom is the largest exporter of spirits to Mexico with the country exporting EUR 97 million worth of spirits in 2020, largely whiskies (Figure 5-24). Spain is the second-largest exporter of spirits to Mexico with a total export value of EUR 29 million, followed by the US with a total export value of EUR 24 million. Other large EU exporters of spirits to Mexico include France, Ireland and Italy.

Figure 5-24: Mexican imports of spirits by country, 2016-2020; EUR 000



Data for CN code 2208

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

EU GI products

As reported in section 4.2.3, 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 below 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
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

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

Source: Agreement between the European Community and the United Mexican States on the mutual recognition and protection of designations for spirit drinks⁶².

Main competitors

Mexico's domestic production of spirits is very large but focused on agave-based spirits which results in competition from domestic producers being focused on these products. Conversely, the most popular spirits consumed in Mexico are agave-based spirits which result in the market for other spirits such as whiskey, vodka and gin being competitive and largely influenced by foreign brands. The UK is the largest competitor concerning whiskey and gin with the second-largest competitor being the US which enjoys a logistical advantage in exporting to Mexico due to its geographical location.

⁶²https://eur-lex.europa.eu/resource.html?uri=cellar:30da3b97-660b-4c8f-8822-4e0c3cda302c.0004.02/DOC_2&format=PDF

5.5.4 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, except 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 e=2208>

Standards, 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 e=2208>

Labelling

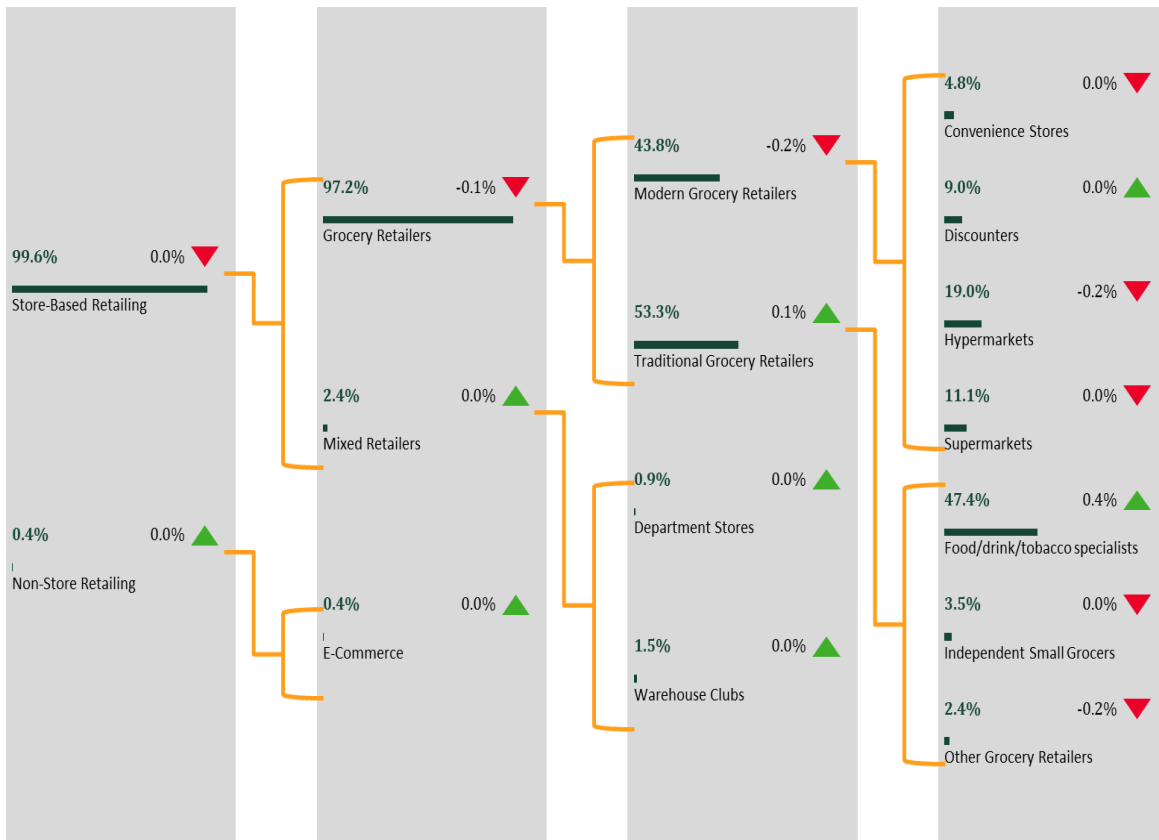
As described in more detail in section 4.2.2 (see in particular Table 4-3), spirits must comply with the specific labelling rules concerning alcoholic beverages set out in *Norma Oficial Mexicana* 142, or NOM- 142-SSA1/SCFI-2014, and *Norma Oficial Mexicana* 199, or NOM-199- SCFI-2017.

5.5.5 Distribution

In Mexico, spirits are generally distributed through off-trade channels (nearly 88% in terms of volume). While on-trade channels have declined in total trade during 2020 to now represent just 11.5% of sales.

As outlined in Figure 5-25, the main off-trade distribution channel for spirits in Mexico are grocery retailers. Of these, in 2020 the majority were food/ drink/ tobacco specialists (47.7%) hypermarkets (19%), followed by hypermarkets (19%). E-commerce now accounts for 0.4% of sales and has emerged as a new channel of distribution in recent years.

Figure 5-25: Distribution channel overview of spirits in Mexico (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.5.6 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 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: Consumption of spirits in Mexico is high but largely dominated by agave-based spirits. Younger consumers and middle-higher income consumers are the most likely consumer group to purchase imported spirit products.

Competition: Biggest competitors are the UK and the USA which are large whiskey and gin exporters to Mexico, two of the more premier spirit products produced in the EU.

Distribution: Largely distributed through food/drink and tobacco specialists which account for 47% of sales. Off-trade sales are the most popular method of spirit distribution accounting for 88.5% of sales.

Challenges: The popularity of agave-based spirits coupled with large domestic production of these spirits leaves a smaller and more competitive market for other spirits in Mexico which is heavily influenced by foreign brands.

Opportunities: Demand for non-agave based spirits is rising among younger consumers seeking alternative products, coupled with a perceived return to pre-COVID tourism levels from the EU to Mexico act as key opportunities in the market.

5.6 Olive oil

5.6.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ European countries dominate the Mexican olive oil market and account for 88% of imports. ▪ European olive oil is regarded as a high-end quality product. ▪ The market increased during the last few years and is forecast to grow at a faster pace in the future. 	<ul style="list-style-type: none"> ▪ Most consumers are mainly aware of the old/raw use of olive oil. ▪ Consumers are largely priced out of the olive oil market. ▪ Per capita consumption (across all consumer segments) is forecast to remain at the same level.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Higher-income consumers are more likely to purchase olive oil. ▪ The strong appeal of olive oil is due to the health and wellness as well as premiumisation trends. 	<ul style="list-style-type: none"> ▪ Other edible oils are cheaper in Mexico and thus preferred for cooking. ▪ Possible risk of price competition from other countries for the "bulk" market (main competitors are the US and Tunisia).

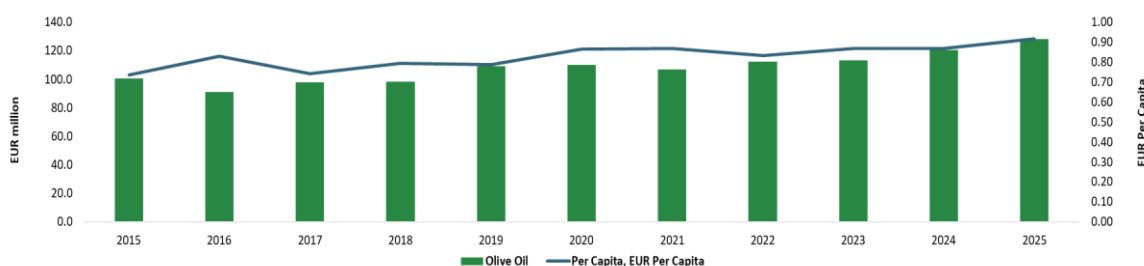
5.6.2 Consumption

Evolution of consumption

Consumption of olive oil is relatively low in Mexico, as there is not a culture of olive oil use and the product is usually marketed at very high prices. Nonetheless, as outlined in Figure 5-26, the market size has been growing over the last years and is projected to further increase in the years to come. The market size increased from approximately EUR 100 million in 2015 to EUR 110.2 million in 2020 and is forecast to reach EUR 128.1 million in 2025. Historically between 2015 and 2020 the market grew at a CAGR of about 1.9%; however, it is forecast to grow at a higher growth rate of around 3.1%.

Per capita consumption is currently at EUR 0.9 and is forecast to remain at the same level until 2025. Thus, the growth of the market can be attributed to other factors than an increase in per capita consumption (Figure 5-26).

Figure 5-26: Evolution and forecast of the market for olive oil and olive oil consumption per capita, 2015-2025 (value in EUR)



Note: figures for 2018 to 2022 based on forecasts

Source: Euromonitor International: Packaged Food, 2021

Consumer profile and purchase criteria

Consumers

Mexican culinary tradition provides for the use of vegetable oils, which are available in large quantities and at affordable prices in Mexico. In comparison, olive oil is pricey in the Mexican market. For this reason, the average Mexican consumer is neither educated in nor 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. Olive oil purchases are mostly driven by middle and upper-income consumers, as well as expatriates of Spain or Spanish descent 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. Young and urban consumers are another small consumer group of olive oil with this group having greater access to olive oil through retail channels and an increasing appreciation of olive oils health benefits. Women through having an ever greater purchasing power in the country also stand as a consumer group more likely to purchase olive oil.

Drivers and method of consumption

As the COVID-19 pandemic continues many consumers keep spending an increasing amount of time at home and work or study from home and eat at home to keep the social distance and stay safe. For many consumers spending a lot of time at home now is the “new normal”. As a result, the home cooking trend continues to flourish, which further drives the consumption of edible oils at home. The foodservice sector had to face intermittent restrictions in 2021, however, is slowly recovering together with the increasing number of consumers that are vaccinated and thus are interested in dining out again⁶³.

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

⁶³ Euromonitor International: Packaged Foods, 2021.

dressing, as more affordable vegetable oils are available for cooking purposes. Unlike Mediterranean countries, Mexican consumers do not have a culture of olive oil used 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 foodservice sector.

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.

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 market. Since the start of the COVID-19 pandemic, the importance of the price point of edible oils increased due to the current uncertain economic times. Price-conscious consumers are generally more likely to purchase cheaper edible oil types as well as private label products. As the availability of private label products that sell higher-priced edible oils including olive oil is forecast to increase, lower-income consumers might be more likely to purchase olive oil in the future.

Another general purchase criterion is the type of edible oil. Mexican consumers usually favour other edible oils, soy oil or rapeseed oil. The interest in olive oil is currently still relatively small. While about 513 million litres of other edible oil have been sold in 2021, only 14 million litres of olive oil have been sold in the same year. The health and wellness trend is further increasing, partly driven by the COVID-19 pandemic. As a result, an increasing number of health-conscious consumers is interested in purchasing healthy edible oils of premium quality such as olive oil⁶⁴.

Two broad markets for olive oil consumption can be identified with differing characteristics. On one hand, there is a 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 foodservice sector (who may buy this product in volume from supermarkets).

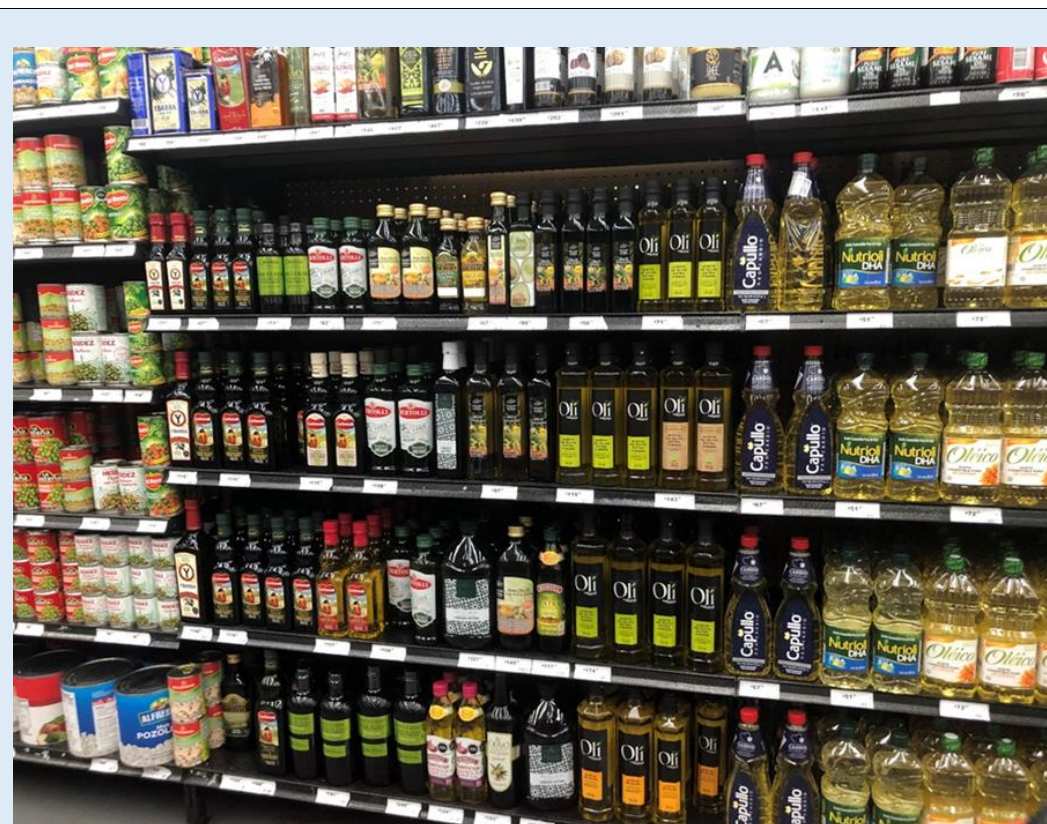
Traditionally, Mexicans believe that good quality olive oil comes from Europe, especially from Spain, for this reason, Spanish olive oil is present in all food distribution channels in Mexico, such as supermarkets, gourmet stores, hypermarkets, discounters etc., and enjoys great prestige among Mexican consumers, which significantly helps the entry of new Spanish brands into the country.

Olive oil on retailers’ shelves in Mexico

Imported olive oil from the EU is sold in stores as well as online. Prices are usually displayed and vary according to different factors such as quality. Thus, imported olive oil commonly retails at the following prices:

- Economy: between EUR 2 and 4 per 500 ml
- Mid-range: EUR 4 to 10 per 500 ml
- Premium: above EUR 10 per 500 ml

⁶⁴ Euromonitor International: Packaged Foods, 2021.



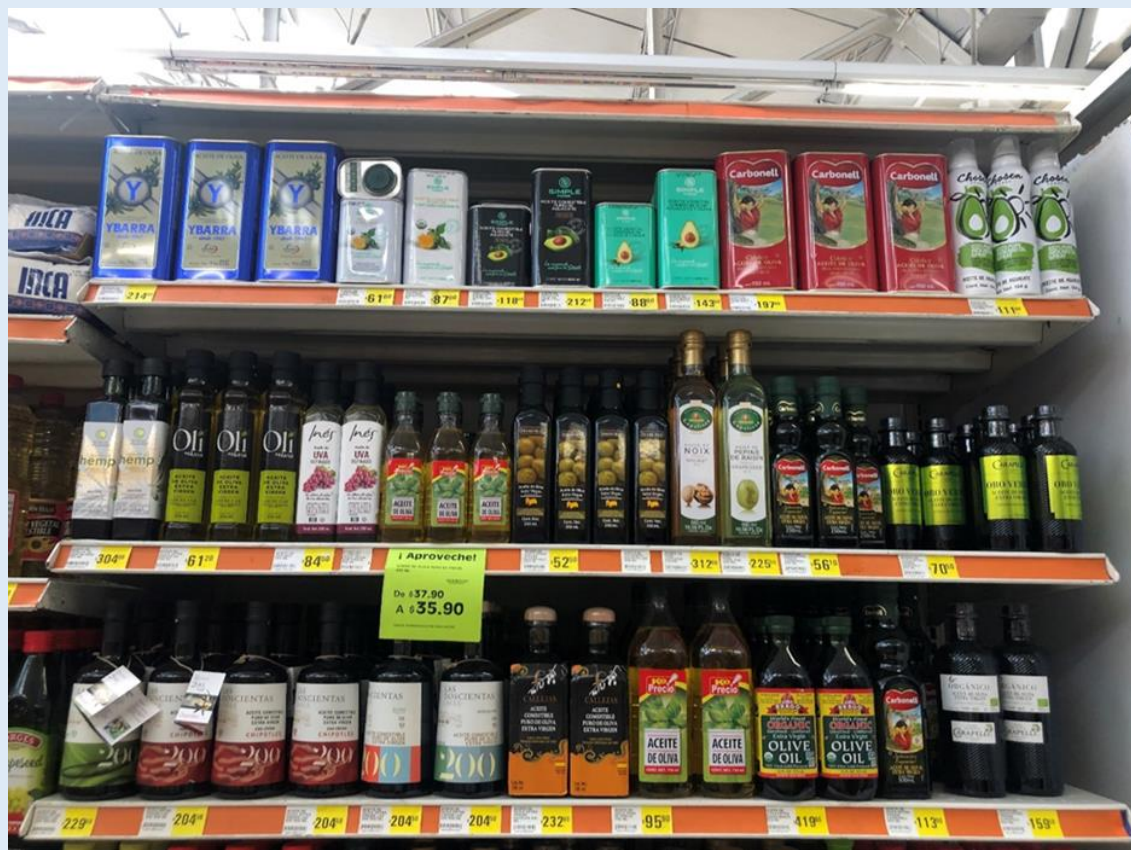
Above: Olive oil displayed next to other edible oils

The main consumers of olive oil in Mexico are men and women between 35 and 55 years that aim to live a healthy lifestyle and are looking for excellent flavours and wellness. They also usually have great purchasing power. Imported olive oil is also used to create a culinary experience, such as indulging it with cheese.



Above: EU products on Mexican shelves

Olive oil is mainly sold in coloured or see-through glass bottles, yet some is also sold in metal containers. The size of the package depends on the price point. Imported olive oil from the economy segment is available in many different sizes ranging from 250 millilitres up to 1 litre. The more expensive the olive oil, the smaller the pack size. Premium olive oil is mainly sold in 250 ml or 500 ml bottles. Higher-end products are displayed at eye level, lower-end products might also be higher or lower on the shelves.



Above: Olive oil in see-through and coloured glass bottles as well as metal containers

Olive oil is often displayed on a shelf by itself; however, it might also be displayed next to other edible oils depending on the size of a shop. Even if it is displayed on a dedicated shelf, it is usually still close to shelves displaying other edible oils. Discounts might be available in store and online.



Above: Shelf promoting discount on olive oil products

Pictures: © Agra CEAS / Euromonitor International, 2022.

Recent market trends

Consumption of olive oil, although very low, recorded a 1.9% annual growth between 2015 and 2020. Furthermore, yearly consumption is set to grow faster in the coming years, at a 3.1% annual rate, driven by the increasing share of middle-income consumers who are more and more health-conscious. For these reasons, the value of olive oil consumed in Mexico is expected to achieve EUR 128.1 million by 2025, growing by around 14%

compared to the 2020 levels.

Health and wellness as well as the premiumisation trends, highly influence the current market trends on the edible oil market. Consumers are becoming increasingly interested in purchasing healthy edible oils of good quality, which is why manufacturers increased their offer of these types of products in 2021. Healthier edible oils with specific ingredients were highlighted on the market by different players. For example, the popular chilli sauce brand Tabasco launched a virgin olive oil with tabasco flavour in 2021. Other players are likely to hop on to these trends and develop similar products. Moreover, specialist retailers are forecast to become more important as they increasingly add edible oils to their portfolios⁶⁵.

The increasing interest of Mexicans in gourmet cuisine through Italian, French and Spanish restaurants and in following healthy diets such as Mediterranean diets, where olive oil is a fundamental element, is helping to lead to the beginning of an olive oil culture in Mexico.

5.6.3 Offer

Domestic production

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 mixtures.

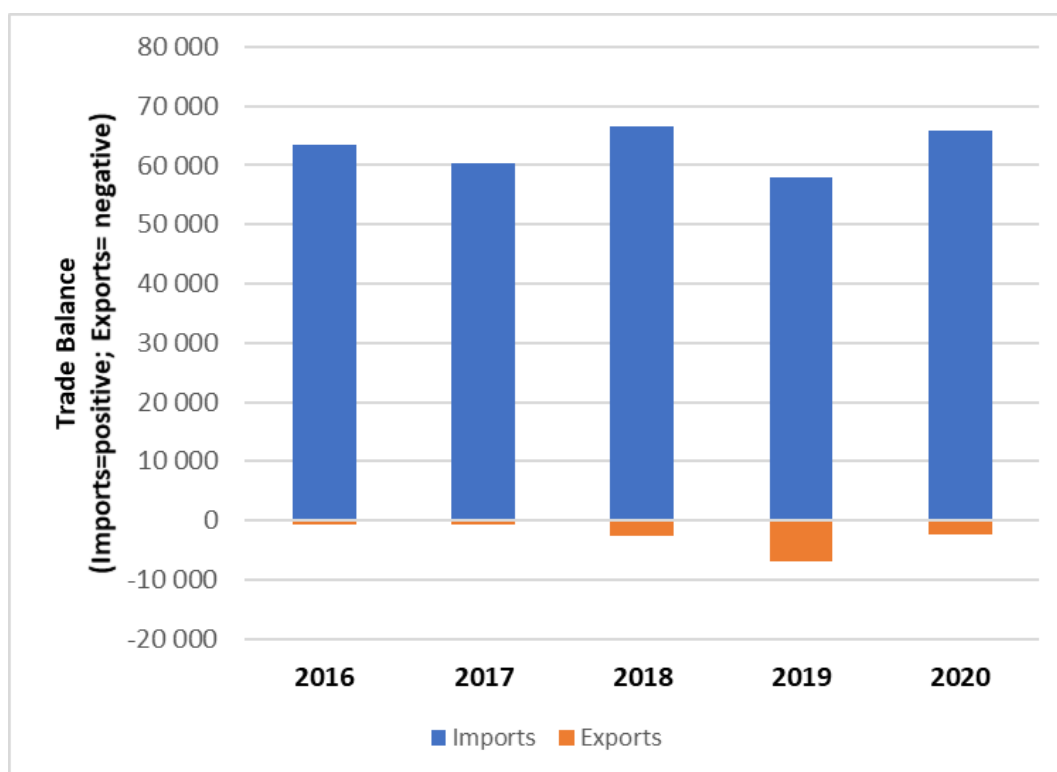
Even though the production of olive oil is negligible in Mexico, growth in its consumption and some recent activity in production has been observed, derived from the growing consumer awareness of its health benefits as a result of the health and wellness trend, popularity of healthy diets such as Mediterranean diet, increasing interest in gourmet cuisines such as Italian that use olive oil and rising tourism. This in turn will further incentivise the expansion of olive oil production in Mexico.

Imports and exports

As can be seen in Figure 5-27, as domestic production of olive oil is almost non-existent, demand is met by imports. The value of imports was around EUR 65.9 million in 2020. Imports increased between 2016 and 2018 and, after a decline in 2019, increased again in 2020 and nearly reached 2018 levels.

⁶⁵ Euromonitor International: Packaged Foods, 2021.

Figure 5-27: Trade balance (imports and exports) of olive oil in Mexico, 2016-2020 (EUR 000)

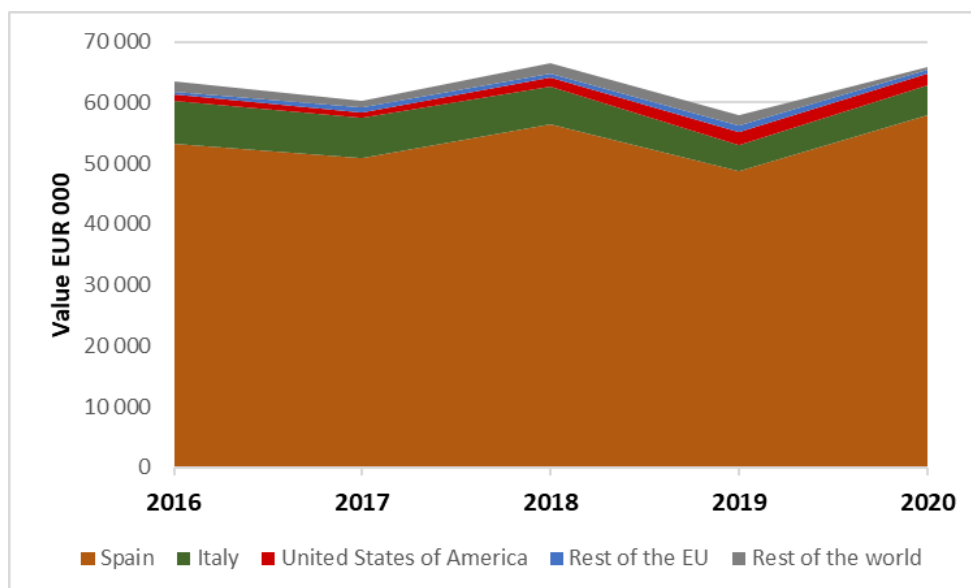


Data for CN code 1509.

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

With exports worth approximately EUR 58.0 million, Spain was the leading supplier of olive oil to Mexico in terms, accounting for 88% of the value of total Mexican imports of olive oil in 2020 (Figure 5-28). Italy followed at a distance, with exports worth about EUR 4.9 million. The EU as a whole accounts for close to 96% of all olive oil imports into Mexico. The USA and Tunisia are the third and fourth largest exporters, with EUR 2.0 million and EUR 0.5 million.

Figure 5-28: Mexico imports of olive oil by country, 2016-2020 (EUR 000)

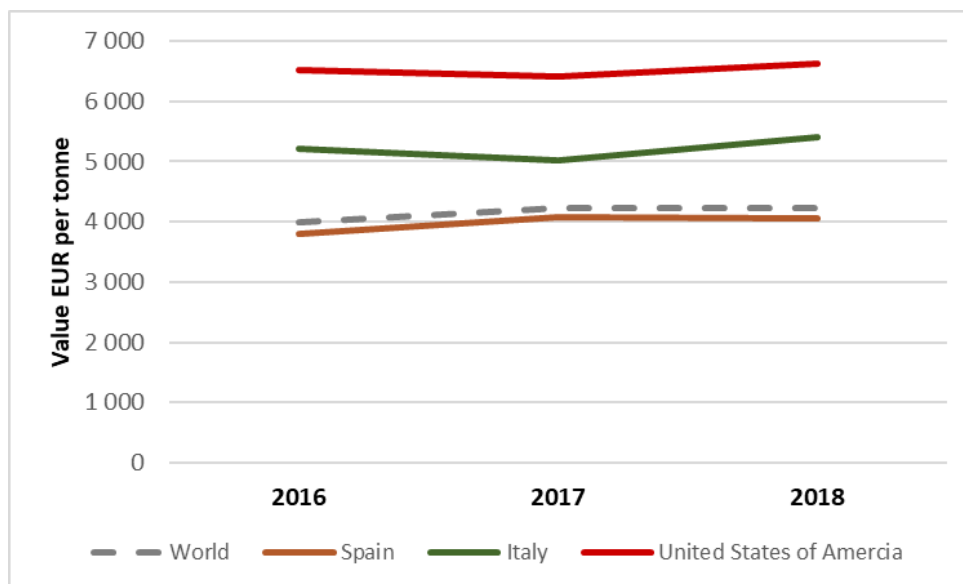


Data for CN code 1509.

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

As shown in Figure 5-29 the world's average unit value of olive oil imports into Mexico was about EUR 4 230 per tonne in 2018. In the same year, the unit value of Spanish olive oil was slightly below the world's average at about EUR 4 060 per tonne, whereas olive oil from all remaining EU exporters was above the world average (such as the unit value of Italian exports with about EUR 5 410 per tonne). The unit values of both main competitors to the EU, USA and Tunisia, were above that of the world average as well.

Figure 5-29: Unit value of Mexican imports of olive oil by country, 2016-2020 (EUR 000 per tonne)



Data for CN code 1509.

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

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 Asklepiou) - Greece
- Πεζά 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

Main competitors

European countries dominate exports of olive oil to Mexico and Mexico is not producing a lot of olive oil domestically. Thus, competition is currently very low.

5.6.4 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 importing 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

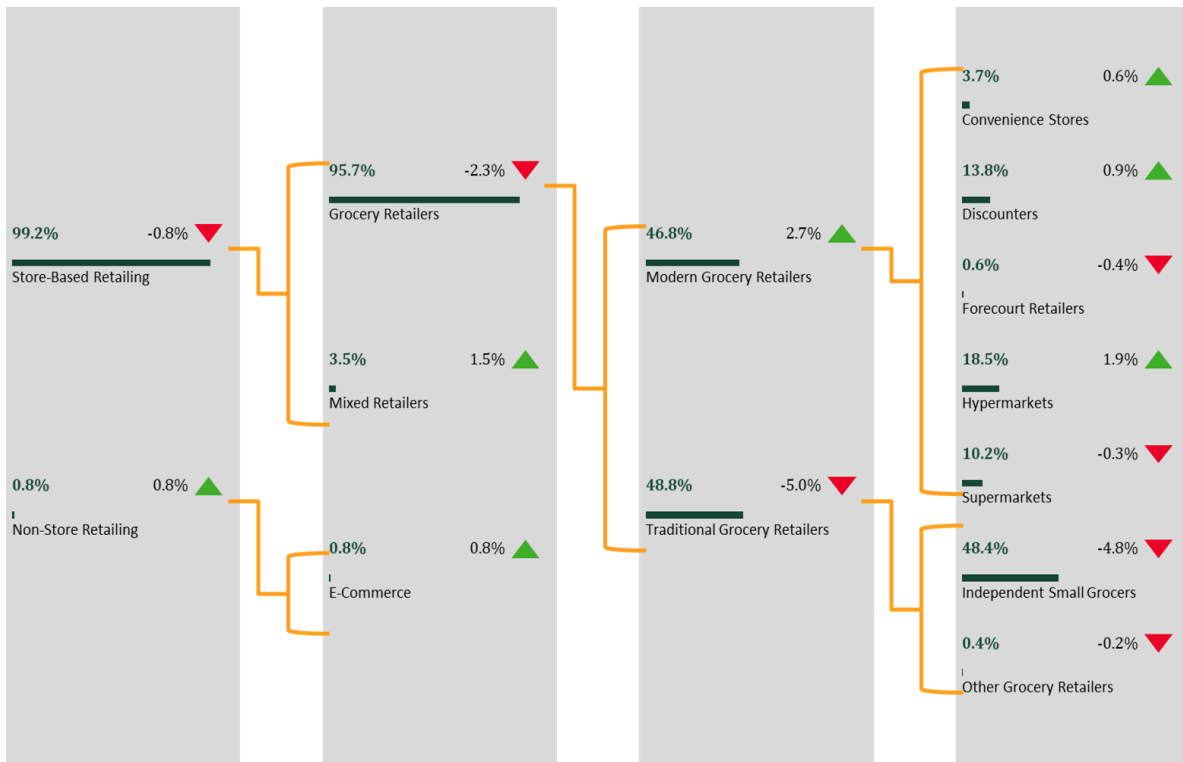
As described in more detail in section 4.2.2, imported olive oil must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051-SCFI/SSA1-2010.

5.6.5 Distribution

Figure 5-30 shows the distribution of edible oils (including olive oil) in Mexico mainly relies on store-based retailing, specifically grocery retailers (95.7%). Of these, in 2020 traditional grocery retailers accounted for about 48.8% and modern grocery retailers for 46.8%. The main traditional channel is independent small grocers (48.4%) which are followed by modern channels such as hypermarkets (18.5%) and discounters (13.8). During the last few years, e-commerce emerged as a new channel that currently accounts for 0.8% of the retail value, but is forecast to continue to grow in importance.

As seen in section 5.6.2, in the specific case of olive oil, more specialist gourmet shops are important for higher quality products; and the foodservice channel ultimately plays an important role in overall olive oil consumption.

Figure 5-30: Distribution channels overview of edible oils (including olive oil) in Mexico (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.6.6 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 foodservice channel is important for the ultimate distribution of olive oil as a whole. Specialist gourmet shops are important for the boutique market. E-commerce is in a nascent but growing phase.

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 growing health and wellness as well as premiumization trends. E-commerce is an emerging channel

5.7 Chocolate and confectionery

5.7.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ High consumption of chocolate and confectionery products. ▪ Products imported from EU countries are highly valued in Mexico. ▪ The modernised FTA eliminated tariffs on chocolate and confectionery. 	<ul style="list-style-type: none"> ▪ Consumption is set to grow at a slow pace. ▪ A tax was imposed on products high in fats in 2013 and a new nutritional labelling law for unhealthy food in 2020. ▪ The spread of diabetes made consumers more health-conscious.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Convenience is a key purchase criterion and it is set to grow in importance. ▪ Low sugar products are set to gain momentum as diabetes spreads. 	<ul style="list-style-type: none"> ▪ Mexico is a heavy producer of confectionery (especially gums). ▪ Affordable US chocolate & confectionery lead imports.

5.7.2 Consumption

Evolution of consumption

The chocolate market in Mexico has been growing between 2015-2020 and is projected to continue to grow in the next few years, although at a slower pace (Figure 5-31). Most notably, the chocolate confectionery category recorded positive growth for the period 2015-2020, up to 4.5% in chocolate with toys, as well as tablets. Nonetheless, consumption growth is projected to slow down in the coming years, mostly due to the increasing levels of diabetes among the Mexican population.

A different trend could be observed in the sugar confectionery category, whose consumption declined in 2015-2020, down 3.1% per year in the category of mints (Figure 5-32). However, consumption of sugar confectionery is projected to see moderate growth and to slightly recover in the next years.⁶⁶ The negative performance of sugar confectionery is attributable to the 8% tax on high-calorie products, namely products with a calorie density of over 275 kilocalories/100 grams. While the same tax applies to chocolate confectionery products exceeding the threshold, the category as a whole was less impacted by the tax due to consumer perceptions that chocolate is a healthier product.⁶⁷

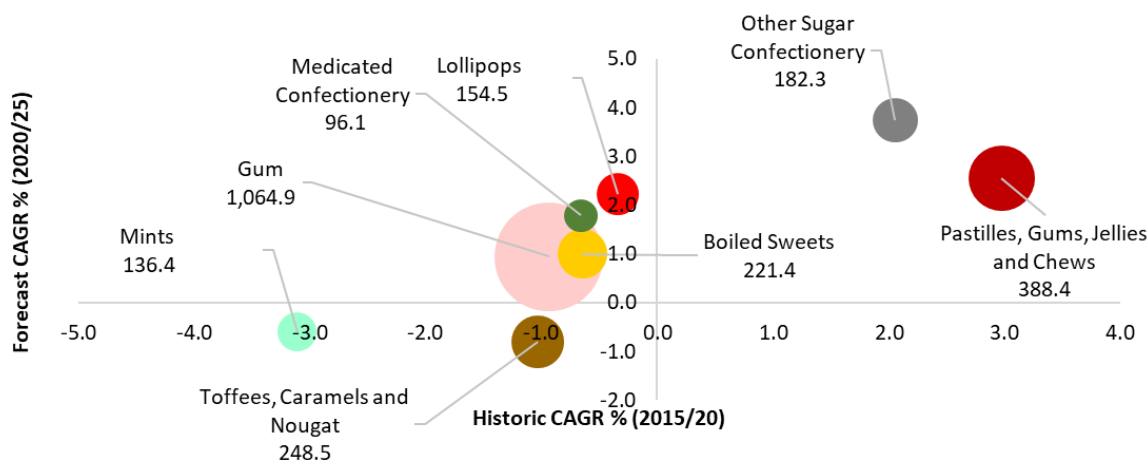
Mexico is a heavy producer and consumer of sugar confectionery; hence the sugar confectionery market is over two times bigger than the chocolate confectionery market. The total size of the sugar confectionery market was around EUR 2.49 billion in 2020 and the chocolate confectionery market had a size of about EUR 1,18 billion. Gum, as well as pastilles, gums, jellies and chews, were the most popular segments in the sugar confectionery category, accounting for respectively 43% and 16% of total market size, followed by toffees, caramels and nougat with 10%, boiled sweets with 9%, and other sugar

⁶⁶ La confitería mexicana firme en el camino hacia la recuperación. Available at : <https://www.industriaalimenticia.com/articulos/86579-la-confiteria-mexicana-firme-en-el-camino-hacia-la-recuperacion>

⁶⁷ Ley del impuesto especial sobre producción y servicios. http://www.diputados.gob.mx/LeyesBiblio/pdf/78_291217.pdf

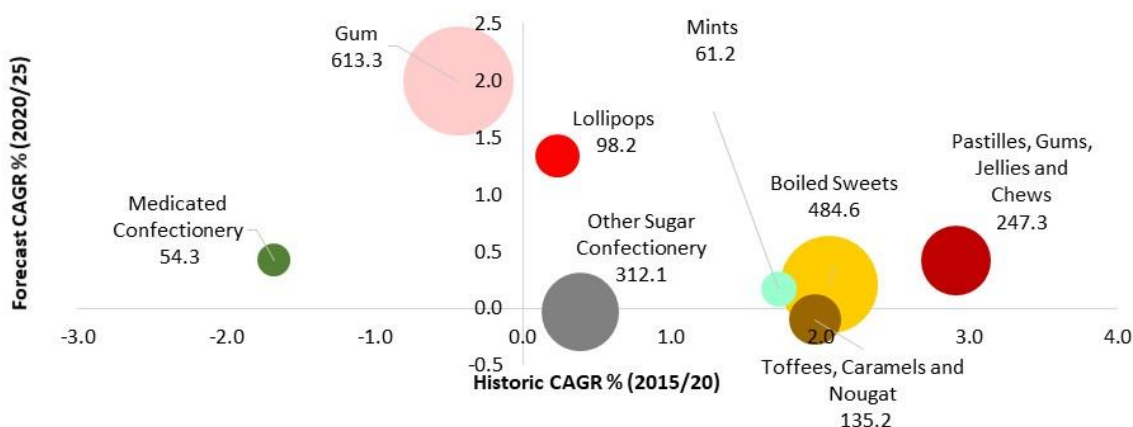
confectionery with 7%. In the chocolate segment, tablets accounted for 34% of the total market size, followed by chocolate pouches and bags (23%), countlines (19%), as well as chocolate with toys (12%) and boxed assortments (9%).

Figure 5-31: Evolution and forecast of the chocolate confectionery market in Mexico, 2015-2025; total retail value (EUR million)



Source: Euromonitor International: Packaged Food, 2021.

Figure 5-32: Evolution and forecast of the sugar confectionery market in Mexico, 2015-2025; total retail value (EUR million)



Source: Euromonitor International: Packaged Food, 2021.

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% of women and well over 50% of young people aged 18-25 purchase chocolate with women being larger consumers of both chocolate and confectionery products compared to men. Nonetheless, most chocolate consumers were found to be children and adolescents aged 10-17. 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 chocolate and 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.
- Many high-income individuals fond of chocolate prefer personalised and artisanal chocolates with unique flavours, ingredients and textures. Larger chocolatiers often offer fresh ingredients free of artificial preservatives, additives, fat substitutes, colourings and flavourings. These are particularly popular amongst health-conscious chocolate connoisseurs/experts.
- Mexico is considered one of the best destinations for chocolate lovers globally. As a result, tourists often visit chocolate manufacturing plants and speciality chocolate events held in the country.

Drivers and method of consumption

Due to the COVID-19 pandemic and related restrictions, consumers spend much more time at home. This change influences consumption habits. Consumers increasingly look for small indulgences to treat themselves in times of hardship which drives chocolate and confectionery consumption. However, due to movement restrictions, the on-the-go consumption of these products declines. Once people go back to normal, on-the-go consumption is expected to increase again as well.

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 cookies. Furthermore, confectionery is consumed in large quantities at children's parties. However, in particular, since the start of the COVID-19 pandemic consumers are becoming increasingly health-conscious and opt for healthier chocolate and sugar confectionery options. In general chocolate, confectionery is seen to be the healthier choice.

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% 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 purchases. Demand for EU chocolate confectionery products, in particular, grows during these events as EU chocolate and confectionery products are considered a perfect gift.

- Chocolate is eaten more during the weekend, especially at night, or between breakfast and lunch.
- Confectionery sales reach the top values in April, which is the children's month.

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. Overall, part of consumers that are economically affected by the pandemic, such as consumers with already low incomes, limit their frequency of consumption of chocolate and sugar confectionery and mainly purchase essentials.

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 is the least preferred.

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

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.

The recent increase in at-home consumption of chocolate and confectionery products has contributed towards the growing prominence of size as an important purchase factor in Mexico. As a result, consumers prefer economical larger folding carton formats of popular brands as these reduce the need to revisit the store and are better value.

Two further criteria 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, it can play a greater role for chocolate confectionery – particularly in the premium segment where European chocolate is generally considered synonymous with quality.

Confectionery on retailers' shelves in Mexico

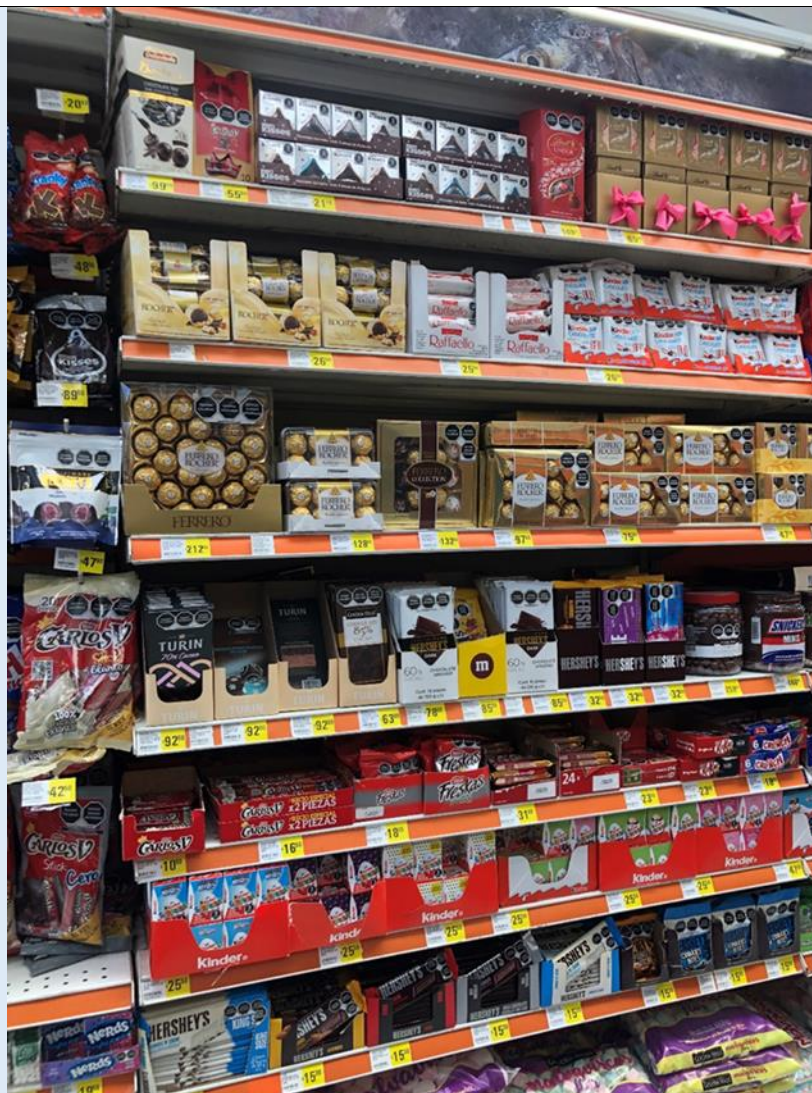
Imported chocolate from the EU is sold in stores as well as online. Prices are usually displayed and vary according to different factors such as quality. Thus, imported chocolate commonly retails at the following prices:

- Economy – under EUR 1.50 per 100g
- Mid – EUR 1.50 – 4 per 100g
- Premium – above EUR 4 per 100g



Above: Shelf in Mexican supermarket displaying different types of chocolate

Consumers who purchase imported confectionery from the economy price segment are usually looking for sweet indulgence at affordable prices. In supermarkets and hypermarkets, economy products often have an eye or touch positioning. Small packs are commonly sold in stores whereas confectionery imported from the EU is sold in bulk online. Packs usually weigh between six and twelve kilograms, however, are cheaper than the same products that are sold in stores in Mexico and thus often are part of the economy segment.



Above: Shelf displaying different sized packs of confectionery

Most EU products sold in Mexico are part of the mid to premium price segment. Women as well as men above the age of 25 that enjoy nice moments and qualitative culinary experiences are the main consumers of higher-end products. Like economy products, higher end imported products are also positioned at eyesight, easy to spot and ready to grab. Chocolate and confectionery of the mid-priced segment are also sold online in bulk, however in slightly smaller packages of around two to five kilograms. Online bulk sales of premium chocolate are rather rare.



Above: Higher priced products displayed at eye level

Higher-end chocolate and confectionery are mainly sold in packs between 100 and 200 grams. Chocolate confectionery is commonly wrapped in flexible paper, plastic, folding cartons, thin wall plastic containers. Special offers might be available online and in store. In store chocolate and confectionery products are usually not mixed on the shelves but rather have their own shelves or even isle depending on the size of the shop. Pop-up stands are used in some places to make a brand or type of confectionery stand out.



Above: Pop-up stands promoting specific brands and products

Pictures: © Agra CEAS / Euromonitor International, 2022.

Recent market trends

While chocolate sales increased, consumption of sugar confectionery, which is particularly high among Mexican consumers, recorded negative growth in recent years. This is mainly due to a new tax on high-calorie products imposed in 2013, as well as to the spread of

diabetes, especially among children. Nonetheless, consumption has recovered, growing at a slow pace in the coming years.

Overall, 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. The outbreak of COVID-19 in the country further increased health consciousness amongst consumers in the country.
- **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 products. Increasingly chocolatiers in the country are offering new and fresh chocolate and confectionery designs, often competing for unique designs that help distinguish them in the market.
- **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 one. That said, the availability of such products in premium/gourmet grocery outlets has increased in recent years (see section 5.7.5) and it is a segment that shows particular potential for quality imported chocolate.

Specific trends in the chocolate market include:

- The growing popularity of dark chocolate.
- The positioning of low sugar chocolate (e.g., Carlos V Cero, a sugar-free tablet).

Chocolate with toys gains popularity due to parents wanting to treat their children while spending a lot of time at home during the pandemic.

In the 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 the 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 Pandita's and Paleta Payaso by Ricolino), hence creating a nostalgia effect. Diabetic products, although remaining a niche market, is set to post continuous growth.

5.7.3 Offer

Domestic production

With around 27 000 tonnes, Mexico is one of the largest producers of cocoa worldwide, most of which comes from Tabasco (almost 70%) and Chiapas (around 30%). In terms of chocolate production, however, Mexico is the 11th producer worldwide, with approximately 22 000 tonnes produced every year. The national chocolate industry is characterised by the production of three types of chocolate: *chocolate losing* (confectionery candy – mainly milk or dark), *chocolate para mesa* (drinking chocolate) and chocolate powder.

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 per year, most of which are intended for domestic consumption. Overall, Mexico produces almost twice the volume of sugar confectionery it consumes 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).

The government has pledged its support in modernising its cocoa sector as many cocoa plants are outdated, this will further bolster domestic production of chocolate in Mexico as the price of cocoa should fall relating to increases in production as plants modernise

Imports and exports

Figure 5-33 shows that both Mexican exports of chocolate and sugar confectionery largely exceed imports, making Mexico a net exporter of both product categories. In 2020, the country exported chocolate worth about EUR 529 million and sugar confectionery worth around EUR 596 million, while it imported approximately EUR 167 million of chocolate and EUR 71 million of sugar confectionery.

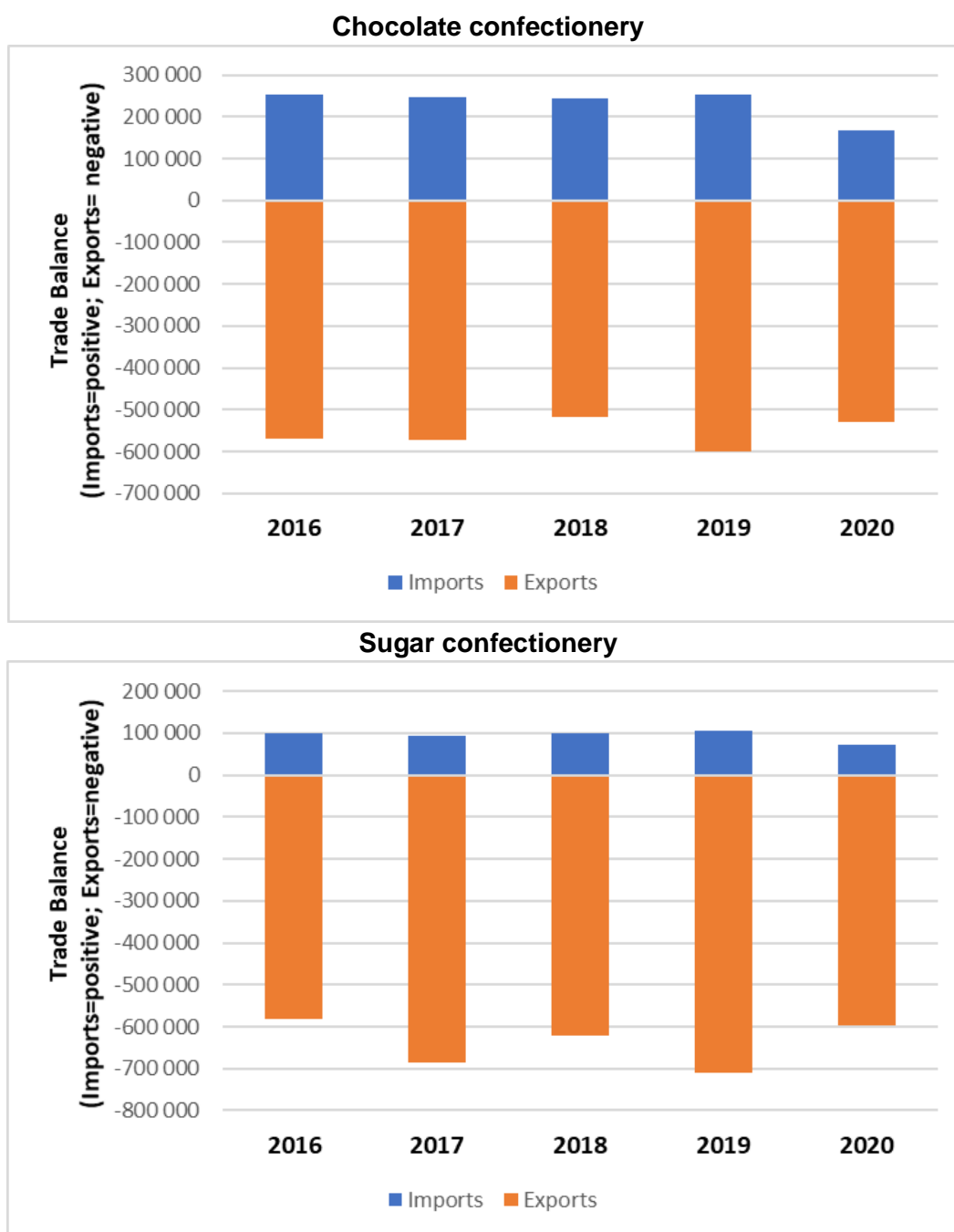
As outlined in Figure 5-34, chocolate items are mostly supplied by the United States - which accounts for close to 80% of total imports by value - and Canada (12%). European countries accounted for nearly 6% of Mexican imports, most of which came from Belgium (53% of total EU exports), Germany (15%), and Italy (13%). Besides these three EU countries, France is also amongst the top ten exporters of chocolate confectionery to Mexico.

With regards to confectionery, the United States, China and Guatemala were the largest suppliers in terms of value in 2020, accounting for respectively 58%, 18% and 17% of total Mexican imports of sugar confectionery. Led by Germany, Belgium and Spain, European countries exported into Mexico close to 4% of the total imported confectionery.

Although accounting for most of the value exported to Mexico, the unit value of Canadian and US chocolates was respectively 3 560 and 2 410 EUR/tonne in 2018, below the world's average value of chocolates imported into Mexico (3 600 EUR/tonne) (Figure 5-35). On the contrary, the unit value of Belgian, German and Italian imported chocolate was well above the world average, at 8 550, 6 280 and 6 450 EUR/tonnes respectively.

With regards to confectionery, the unit value of imports from China in 2018 (1 700 EUR/tonne) was well below the world average of confectionery imported into Mexico (2 090 EUR/tonne); while that of US exports was higher than average (2 440 EUR/tonne) (Figure 5-35). The unit value of Guatemalan sugar confectionery products was much lower than the world's average at around 1 180 EUR/tonne. German confectionery recorded the highest unit value among the largest importers of confectionery into Mexico, at 8 680 EUR/tonne in 2018. Generally, the unit value of sugar confectionery that is imported from the EU is also much higher than the world average.

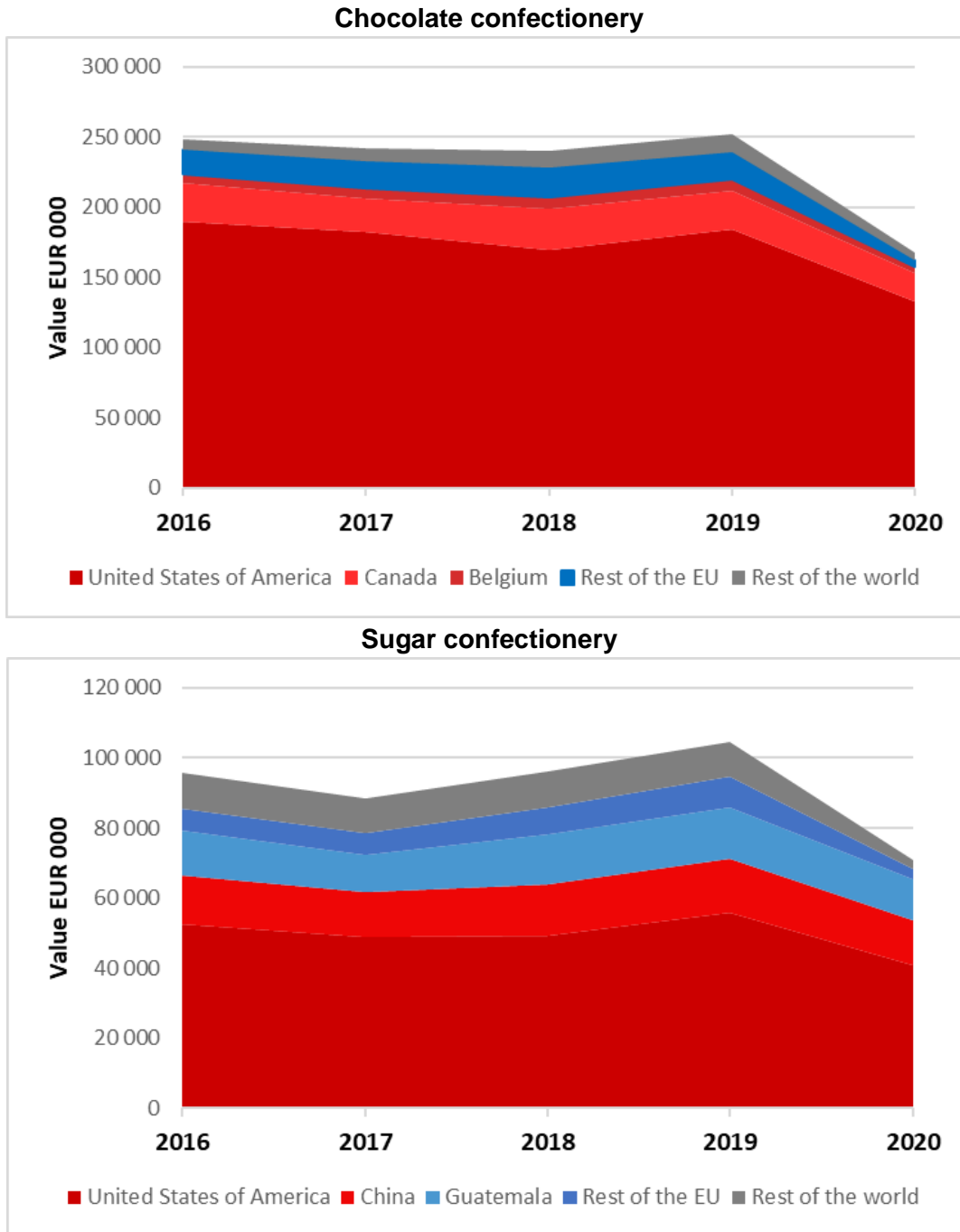
Figure 5-33: Trade balance (imports and exports) of confectionery in Mexico, 2016-20 (EUR 000)



Data for CN code 1806 and 1704.

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

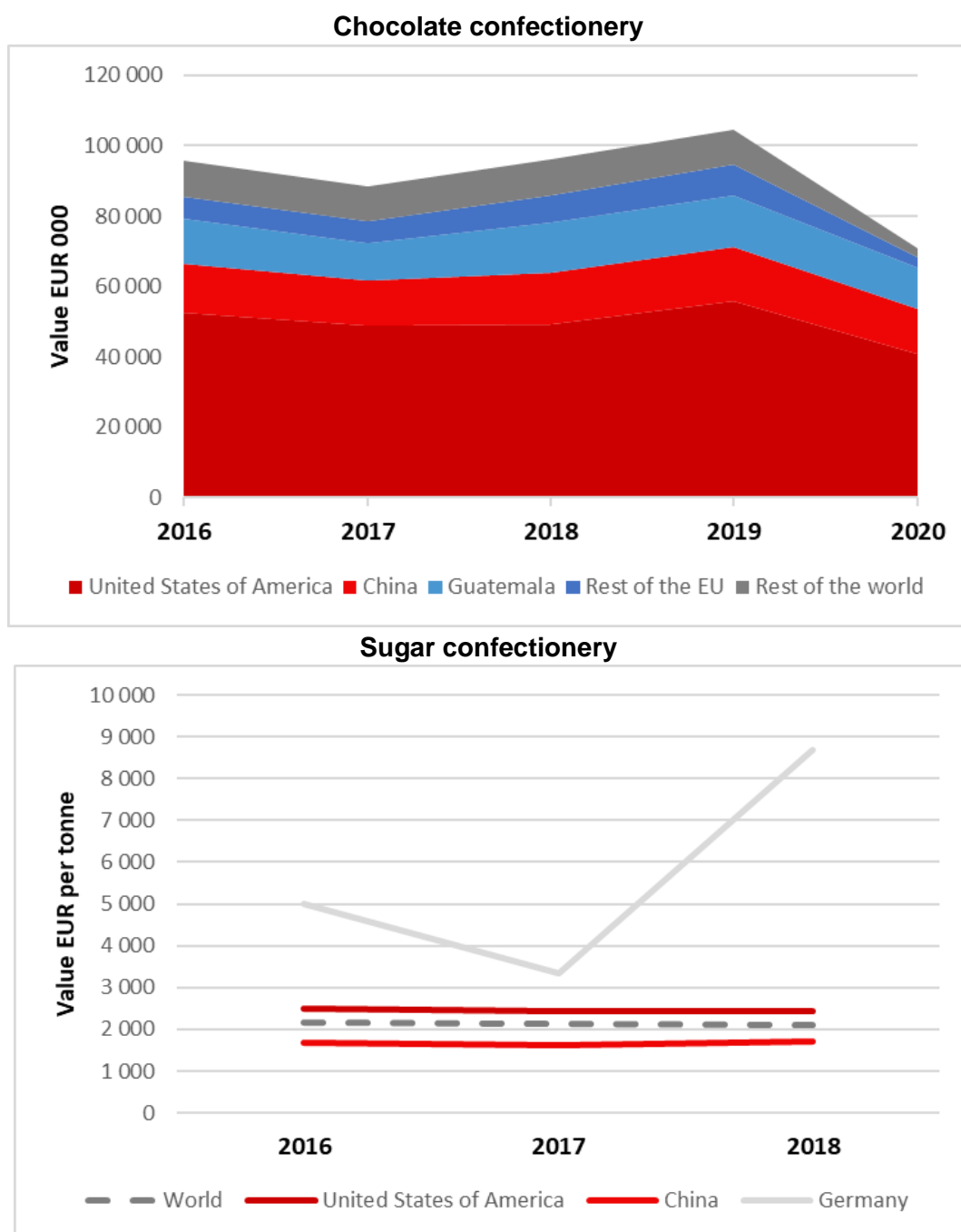
Figure 5-34: Mexico imports of confectionery by country, 2016-20 (EUR 000)



Data for CN code 1806 and 1704.

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

Figure 5-35: Per unit value of Mexico imports of confectionery for selected countries, 2016-20 (EUR per tonne)



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

Data for CN code 1806 and 1704.

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* (LoukoumiGeroskipou)
- Germany: *Lübecker Marzipan*
- Spain: *Jijona*; *Turrón de Alicante*

Main competitors

The US is a major exporter of chocolate and confectionery in value terms. 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, Mars Wrigley Confectionery, Nestlé México and Ferrero de México lead sales in terms of value. These companies manage well-positioned brands such as Carlos V (Nestlé), and Ferrero/Kinder and have developed strong distribution networks with national coverage. Hershey is also a notable player.

5.7.4 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 faced high import tariffs (minimum 20% on chocolate and 16% on confectionery). However, since the establishment of the modernised EU-Mexico Trade Agreement, most tariffs on chocolate and confectionery products are 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=1806>
<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=MX&hscod=1704>

Standards, 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

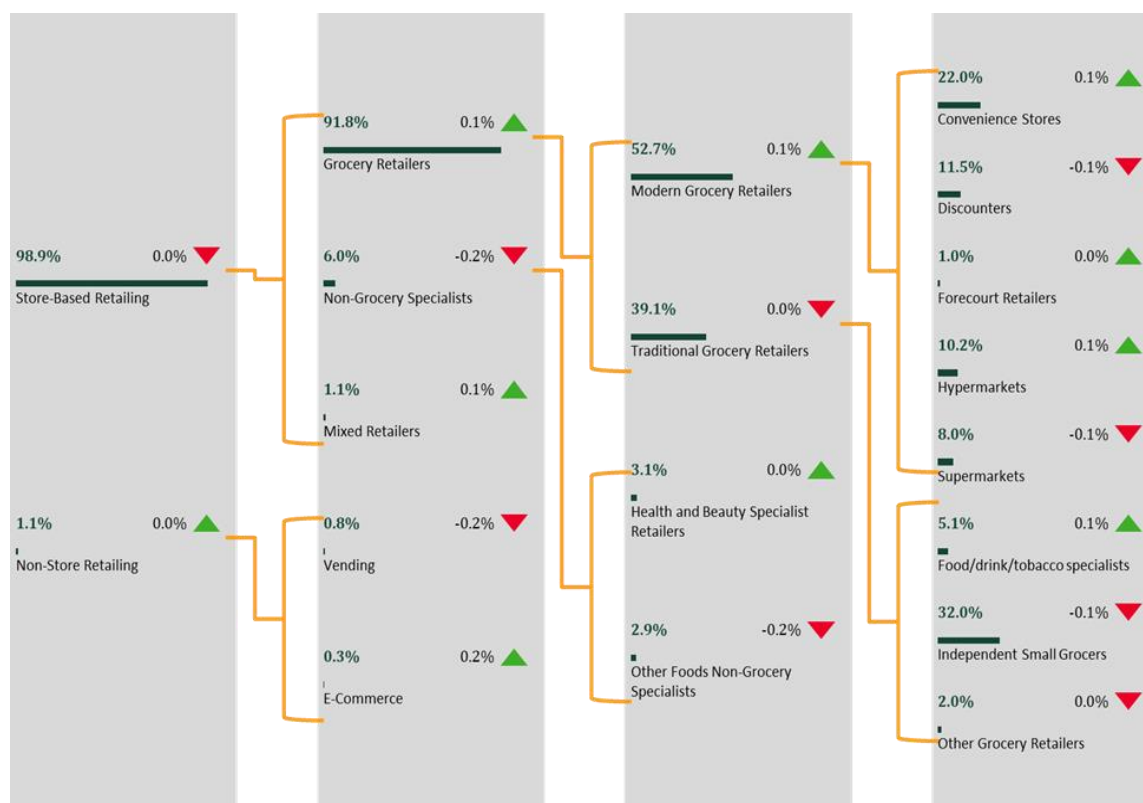
As described in more detail in section 4.2.2, imported chocolate and confectionery must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051-SCFI/SSA1-2010.

In October 2020 a new labelling regulation entered into force. Products that contain high amounts of certain nutrients must be labelled with black hexagonal warning signs.

5.7.5 Distribution

As shown in Figure 5-36 distribution of chocolate confectionery is highly fragmented. However, it can be observed that store-based retailing is the leading distribution channel. Most notably, grocery retailers accounted for 91.8% of all sales, 52.7% of which were done through modern grocery retailers (primarily convenience stores and discounters) and the remaining through traditional grocery retailers (independent small grocers, also known as *Tiendas*). Traditional grocery retailers recorded the highest growth in the sector just after e-commerce. With regards to premium products, which are usually only available through department stores and food/drink/tobacco specialists, distribution trends are slightly different. In the coming years, independent small grocers are expected to maintain the biggest share of value sales in chocolate confectionery, although modern distribution channels such as supermarkets, hypermarkets and convenience stores are likely to gain relevance as they expand their number of outlets.

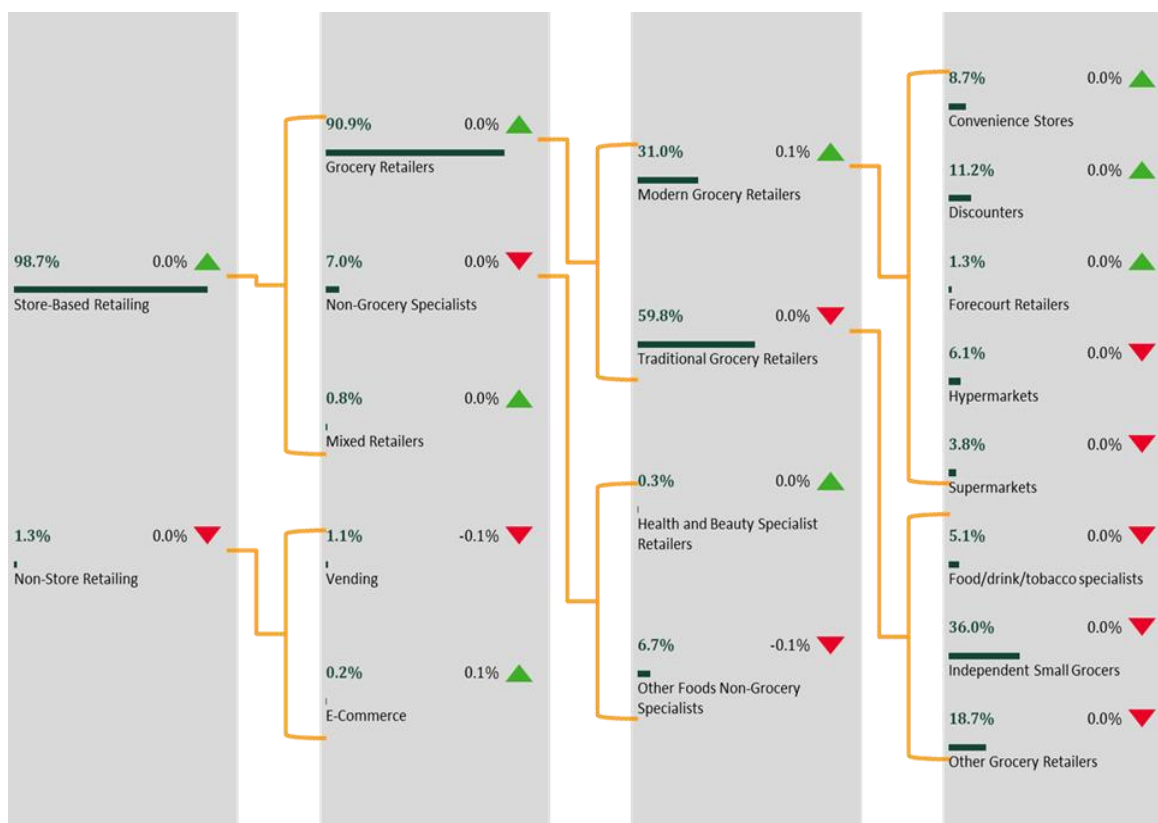
Figure 5-36: Distribution channel overview of chocolate confectionery in Mexico (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

The distribution of sugar confectionery is also fragmented (Figure 5-37). Store-based retailing is the leading distribution channel as non-store retailing only accounts for 1.3%. Most notably, grocery retailers accounted for 90.9% of all sales, 59.8% of which were done through traditional grocery retailers (primarily independent small grocers) and the remaining through modern grocery retailers (mainly through discounters). Modern grocery retailers and e-commerce channels recorded the highest growth since 2017.

Figure 5-37: Distribution channel overview of sugar confectionery in Mexico (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.7.6 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 a large share of the Mexican market, as well as foreign importers, especially the United States, which is the first importer of chocolate and confectionery by value and offers more affordable products. Moreover, the new nutritional labelling regulation that was passed at the end of 2020 (see section 4.2.2) might negatively affect the sales of sugar and chocolate confectionery in the future as food products high in saturated fat, trans fats, sugar, sodium or calories need to be displayed by warning signs on the food labels.

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; the US remains the first importer into Mexico by value in the category of chocolate and sugar confectionery.

Distribution: Distribution is fragmented; however, it mainly takes place through traditional grocery retailers for sugar confectionery and modern grocery retailers for chocolate confectionery.

Challenges: Consumers are more and more health-conscious, especially due to the spread of diabetes among Mexicans and different regulations that attempt to increasingly create more awareness around unhealthy eating habits.

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

5.8 Beer

5.8.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Beer is the favourite alcoholic beverage of most Mexican consumers. ▪ Beer consumption is increasing. ▪ Seven of the top 10 leaders in exports are from the EU. 	<ul style="list-style-type: none"> ▪ The market duopoly of two multinational companies with an important domestic production base dominating the market. ▪ Long established style of beer widely preferred. ▪ The EU only accounts for 19% of beer imports by value in Mexico.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Growing demand for non-alcoholic and light beers; artisanal beers are gaining ground, albeit from a very small base. ▪ The popularity of e-commerce as a channel is increasing. 	<ul style="list-style-type: none"> ▪ Domestic production includes Mexico's duopoly as well as its 1 400 small craft beer breweries. ▪ The USA accounts for almost all exports of beer into Mexico. ▪ Overall numbers of imports are small compared to exports.

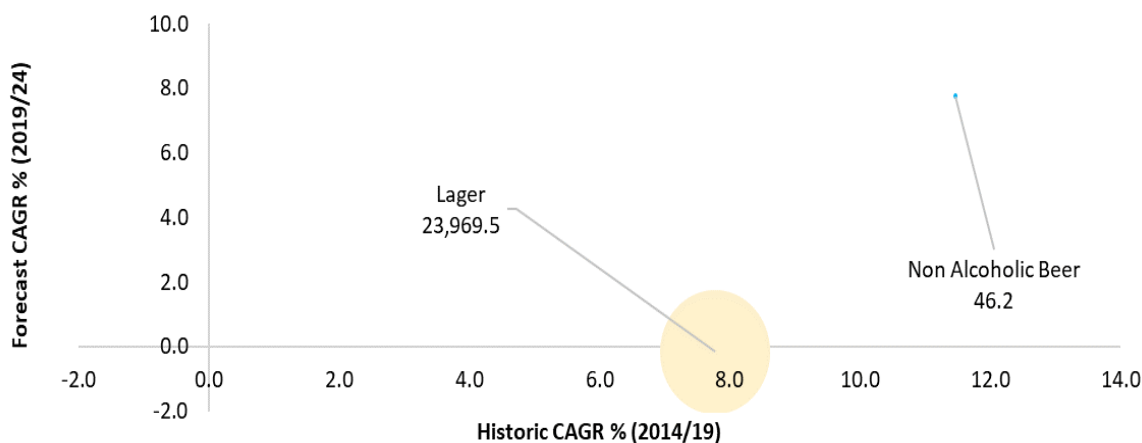
5.8.2 Consumption

Evolution of consumption

As observed below in Figure 5-38, Mexicans are the sixth major consumers of beer worldwide⁶⁸. The total beer market had a value of about EUR 24.02 billion in 2019. Over 99% of the value comes from lager, which had a market size of about EUR 23,97 billion in 2019. The lager market grew at an approximate CAGR of 7.8% between 2014 and 2019 but is forecast to experience negative growth of -0.2% between 2019 and 2024. The non-alcoholic beer category had a size of about EUR 46 million in 2019. Thus, Mexicans are also developing a taste for non-alcoholic beers, as demonstrated by the yearly +11.5% growth posted in 2014-2019. The non-alcoholic beer category is forecast to continue to grow at high rates between 2019 and 2024, although lower than in previous years at a CAGR of around 7.8%.

Per capita consumption of lager beer has grown fast and is expected to further rise slightly over the next few years. In 2019, per capita consumption of lagers amounted to 68.7 litres and is expected to reach 69.6 litres in 2024. The per capita consumption of non-alcoholic beer is set to increase as well.

⁶⁸ ¿Cuánta cerveza consumen los mexicanos al mes?, <https://www.forbes.com.mx/cuanta-cerveza-consumen-los-mexicanos-al-mes/>

Figure 5-38: The beer market in Mexico, 2014-2024; total retail value (EUR million)

Source: Euromonitor International: Alcoholic Drinks, 2021.

Consumer profile and purchase criteria

Beer is Mexicans' favourite alcoholic beverage. Both young and adult people are used to drinking it on different occasions, mostly in the company of friends and relatives. Although industrial beer is purchased more often, since it is more affordable, craft beer consumption is on the rise. Furthermore, healthy-conscious consumers are driving the growth of the non-alcoholic and light beer 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 answers.⁶⁹

Consumption of beer in Mexico slightly varies based on some indicators, including:

- **Age:** Half of the young consumers aged 26-35 purchase beer, but they only account for 24% of the total volume consumed in Mexico; Less than half of consumers over the age of 36 purchases beer, but this segment is responsible for almost two-thirds of total beer consumption (by volume).
- **Gender:** beer is purchased by over 44% of men and slightly less than 42% of women. However, men are responsible for 65% of the total beer consumption in Mexico⁷⁰. Women are also gradually trading up for craft beers, which are perceived as healthier compared to certain other alcoholic beverages including mass-market beer.

⁶⁹ Consumo de Bebidas Alcohólicas en México, http://consulta.mx/index.php/estudios-e-investigaciones/mexico-opina/item/download/247_dab404656793dde544cc57ad691c9e35

⁷⁰ ¿Por qué el consumo de cerveza es tan importante en México?, <https://www.forbes.com.mx/forbes-life/consumo-cerveza-mexico/>

- **Tourists:** Tourists overall account for a small percentage of total beer consumption in Mexico. Tourists from the EU are more likely to consume beers from the EU which helps sustain EU inspired establishments such as Irish pubs in the more touristic areas of the country. Overall though, roughly 70% of tourists arriving in Mexico come from the US which limits the total impact on beer consumption based on EU tourists arriving in the country.

Drivers and method of consumption

Since the outbreak of the COVID-19 pandemic, consumption habits changed. At the beginning of the pandemic, several Mexican states limited the availability of beer through retail. Since then, consumers also had to handle lockdowns, the closing of on-trade channels such as bars and restaurants as well as further social distancing restrictions. Even after some on-trade channels opened up again many consumers remained cautious and prefer to stay at home. As a result, most consumers switched to the off-trade channel and now drink their beer at home. Some consumers increased their beer consumption as a way to handle the stressful times of the COVID-19 pandemic. However, with vaccination being rolled out and the pandemic getting under control it is expected that consumers will increasingly return to bars and restaurants in the years to come and thus consumption habits are expected to be similar to prior to the pandemic.

Before the start of the COVID-19 pandemic most Mexican's purchased 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 segments⁷¹:

- Men over the age of 60 drink beer in the company of friends, and to a less extent with relatives. They drink especially at night.
- Young people aged 26-35 consume beer in the company of their partner and are more likely to purchase it in bars and clubs.
- Occasional consumers mostly drink beer during meals, especially at restaurants, food stalls or on the occasion of sports and other kinds of events.

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 litre (*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 dominate the market and hence can be considered to reflect overall consumer taste, 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. Increasingly, consumers are looking for speciality products that make them feel unique, niche beers in the market increasingly benefit from this rising pricing criteria. Due to a general health-conscious trend, consumers are more and more purchasing light beers that contain fewer calories. Low and non-alcohol beer experienced the highest volume growth in 2020. According to a recent survey, over half of the consumers indicated to prefer industrial beers, followed by 14% of respondents who

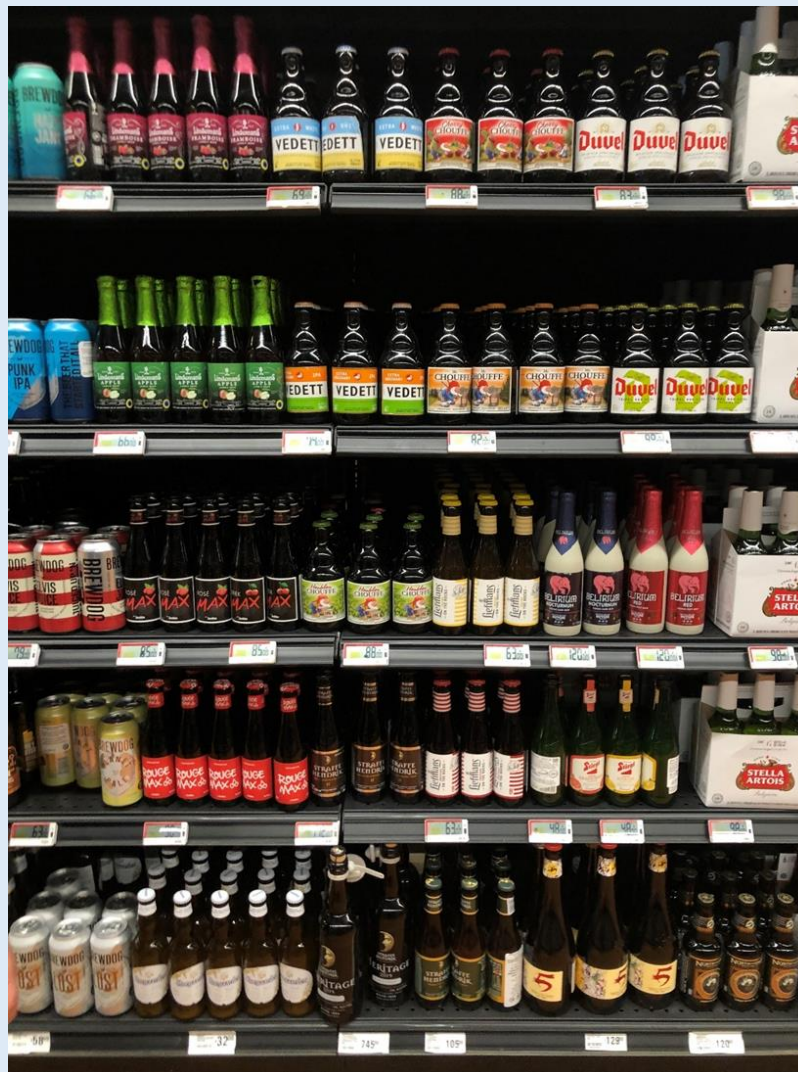
⁷¹ Euromonitor International: Alcoholic Drinks, 2021.

reported to prefer craft beer, over other alcoholic beverages. Overall, mainly young adults prefer to purchase premium lager as they are looking for aspirational beers. 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. In particular during times of the COVID-19 pandemic where disposable incomes decreased a growing number of consumers switched to affordable beers.

Beer on retailers' shelves in Mexico

Imported beer from the EU is sold in stores as well as online. Prices are usually displayed and vary according to different factors such as quality. Thus, imported beer commonly retails at the following prices:

- Economy: between EUR 1.50 and 2 per 330 ml
- Mid-range: EUR 2 to 4 per 330 ml
- Premium: above EUR 4 per 330 ml



Above: Positioning of more expensive beer at eye level

Beer in Mexico is purchased by men and women; however, it is slightly more popular with men. Cheaper products are usually bought by younger consumers with less purchasing power. Premium beers are usually purchased by consumers between 25 and 55, who enjoy culinary experiences and value great taste and quality.



Above: Dedicated beer shelf in Mexican supermarket

Economy products are mainly sold in glass bottles containing 330 ml or in cans with 500 ml. Mid-priced imported beers are mainly sold in glass bottles that contain either 330 or 500 ml of beer. Imported premium beer can mainly be found in glass bottles with 330 ml.



Above: Beer in glass bottles and metal cans

Beer can normally be found in the alcohol section of stores. Depending on the size of a store it either has its own shelf or is on a shelf next to other alcoholic beverages. Imported beer from the EU is usually displayed at eye level, however sometimes also slightly higher or lower. Sometimes stores have special pop-up stands to display certain beer brands that they want to give more attention to. Promotions and discounts might be available.



Above: Pop-up stand promoting beers

Pictures: © Agra CEAS / Euromonitor International, 2022.

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. Total sales are expected to reach roughly a value of EUR 8.8 billion in 2022. 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. These beer types are expected to continue to show positive growth during the next year driven by the increasing health and wellness trend that is further boosted due to the COVID-19 pandemic. Driven by the same trend, low-calorie beers are forecast to increase in popularity as well. Craft beers are a very small segment in a market that 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 monitoring.

Another recent trend, also connected to the COVID-19 pandemic, is the growing interest in e-commerce. During the pandemic, an increasing number of consumers switched to e-commerce for home delivery of beer and now that consumers are used to online shopping they are likely to continue to use this channel once the pandemic is over, due to its convenience⁷².

Mid-priced beers are increasingly in demand in Mexico as these products are price competitive in a market that has been drastically impacted by the COVID-19 pandemic, economically. Bitter beers and IPAs are two beers of note that have grown in popularity, with the uniqueness of these products being appreciated by consumers in the country.

⁷² Euromonitor International: Alcoholic Drinks, 2021.

5.8.3 Offer

Domestic production

With around 127 million hectolitres in 2020, 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 Modelo 181. Mexico has a total of around 1 400 craft beer breweries. 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%)⁷³.

Malt and barley, two key ingredients in the production of beer, have also witnessed growth in production as the domestic beer production base has expanded with malt recording an annual growth rate of 3.2% in recent years and barley production remaining above 600 thousand tonnes in recent consecutive years. Overall, it is estimated that 65% of the production value of alcoholic beverages in Mexico corresponds to the beer sector.

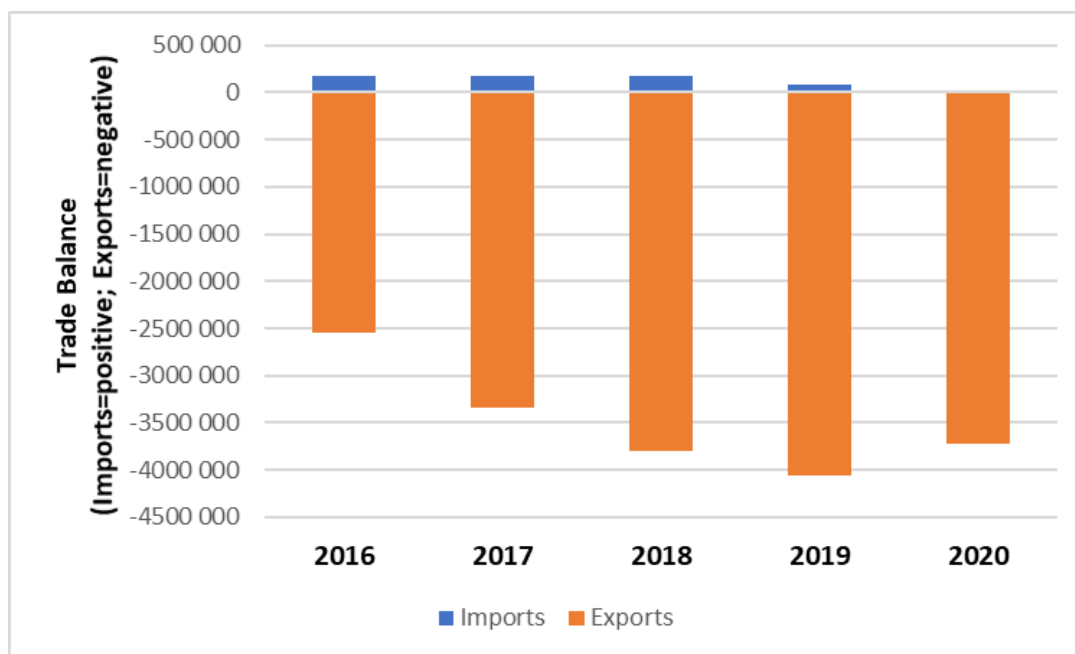
Imports and exports

As shown below in Figure 5-39, due to Mexico's large domestic production, beer exports enormously exceed imports. In 2020, Mexico's beer exports were worth EUR 3.73 billion versus imports worth EUR 27 million. Currently, Mexico is producing one in five beers exported in the world, which makes it the main beer exporter worldwide⁷⁴. This is an increasing trend, as Mexican imports have declined, while exports have been rising in 2016-2020.

⁷³ Cerveceros de México, <https://cervecerosdemexico.com/industria-cervecera-infografias/>; <https://cervecerosdemexico.com/estado-de-la-industria/>

⁷⁴ Cerveceros de México y el INEGI, <https://www.forbes.com.mx/cerveceros-de-mexico-y-el-inegi/>

Figure 5-39: Trade balance (imports and exports) of beer in Mexico, 2016-20 (EUR 000)

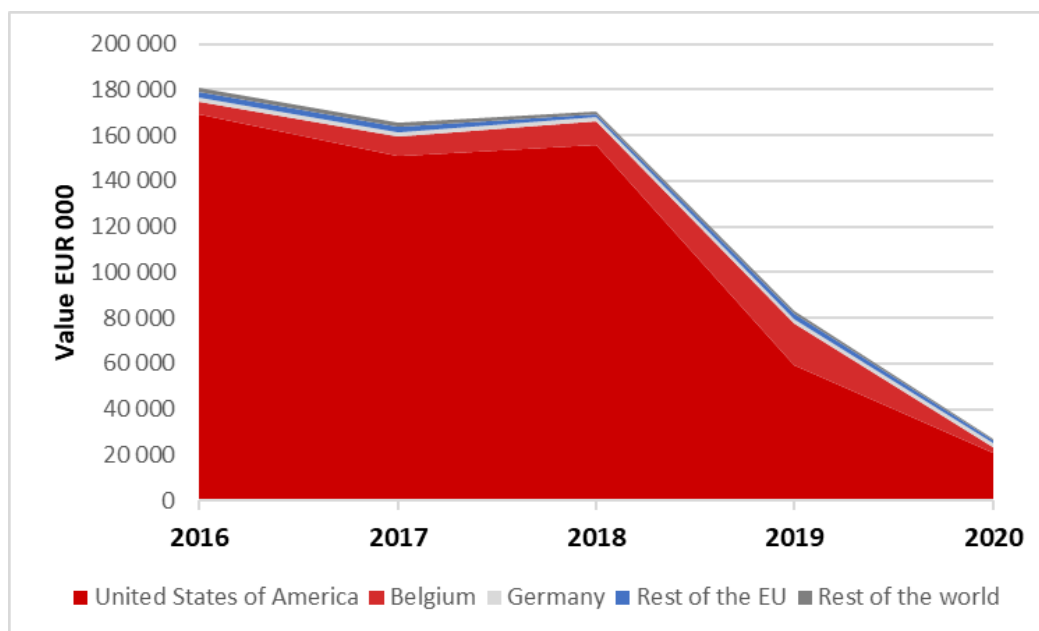


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2203.

Figure 5-40 shows that the United States is the clear leader in exports of beer to Mexico, accounting for about 77% of all imports by value with about EUR 20.9 million in 2020. Belgium and Germany follow lagging behind. Even though seven out of the top ten leaders in exports to Mexico are from the EU, the EU only accounts for about 19% of Mexico's beer imports by value. In 2020 the top ten EU countries exported around EUR 5.1 million.

The US dominates Mexico's imports due to their large production base, being the second-largest beer producer worldwide; and, the fact that under USMCA Mexico and the US have eliminated tariffs on several agri-food products, including beer.

Figure 5-40: Mexico imports of beer by country, 2016-20 (EUR 000)

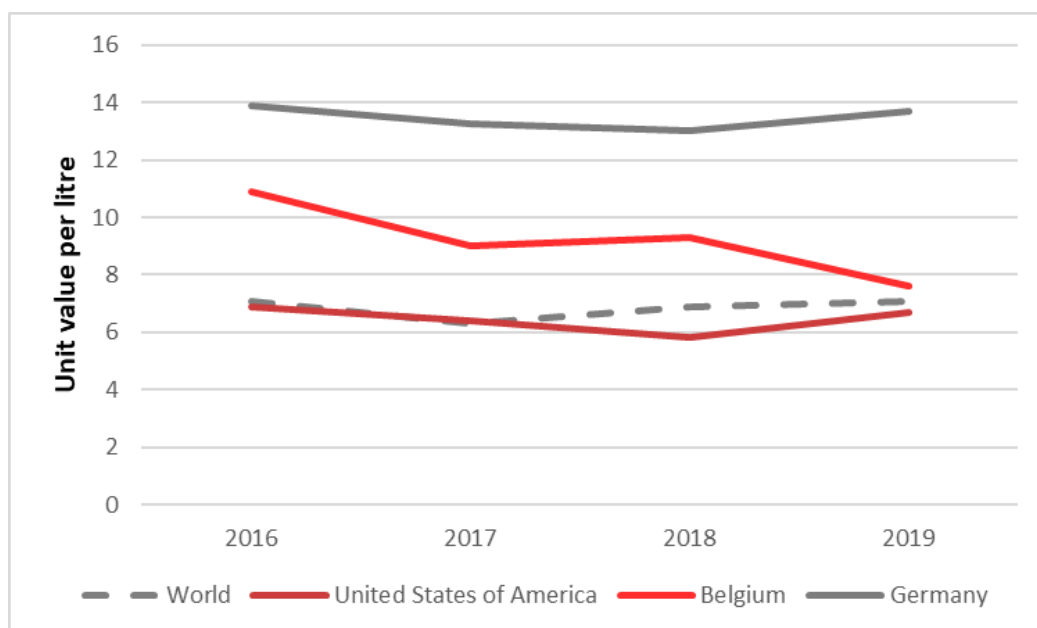


Data for CN code 2203.

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

Figure 5-41 further shows that while the United States are the largest importer of beer by value, the unit value of US beer was below the world average (6.7 EUR/litre) in 2019. On the contrary, the unit values of European beers were mainly above the world average at about EUR 7.6 per litre for Belgian products and EUR 13.7 per litre for German products. Only the unit value of beer from Spain was below the world average in 2019.

Figure 5-41: Per unit value of Mexican beer for selected EU countries and competitors, 2016-20 (EUR per litre)



Data for CN code 2203.

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

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*.

Main competitors

The United States, also benefitting from USMCA, currently account for almost all Mexican imports of beer. Furthermore, Mexico's imports account for a small share of the beer market, which is dominated by domestic producers. 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 make the market a duopoly. To keep their shares, the two companies have been constantly adjusting their offer to meet consumer needs, recently focusing, for example, on light and non-alcoholic beers. Although EU exporters have a small share of Mexico's beer market, seven out of the top ten exporters of beer to Mexico are from the EU.⁷⁵

5.8.4 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.

Customs procedures

A list of standard documents required for importing 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 customs 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>

⁷⁵ Euromonitor International: Alcoholic Drinks, 2021

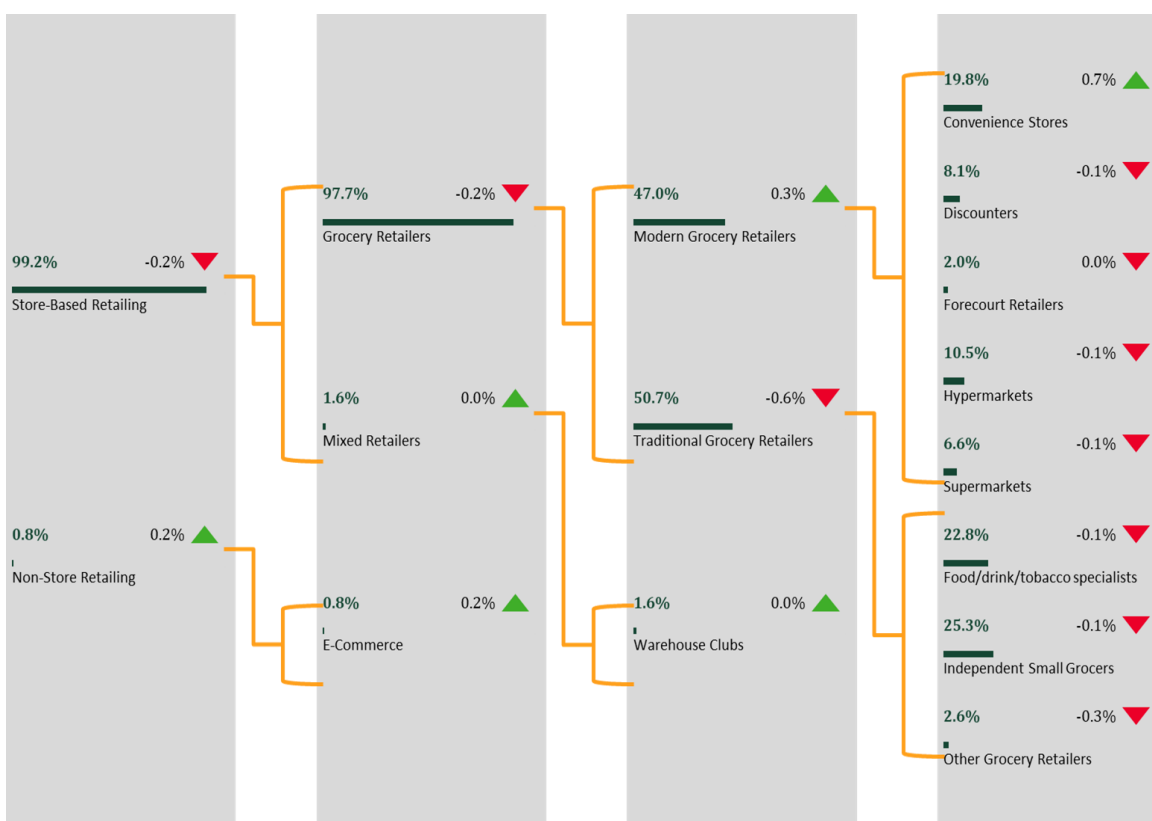
Labelling

As described in more detail in section 4.2.2 (see in particular Table 4-3), 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.

5.8.5 Distribution

As shown in Figure 5-42, in Mexico off-trade channels account for 64% of beer sales in terms of value and the on-trade channel accounts for the remaining 36%. The main off-trade channels for beers are traditional grocery retailers, mainly independent small grocery retailers (25.3%) as well as food/ drink/ tobacco specialists (22.8%), followed by modern grocery retailers such as convenience stores (19.8%) and hypermarkets (10.5%). Overall modern grocery retailers gained popularity within the last few years whereas traditional grocery retailers lost popularity.

Figure 5-42: Distribution channel overview of beer in Mexico (2020); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2021.

5.8.6 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 dominant domestic production with the two main domestic producers making the mainstream market a duopoly; and strong competition from the US that benefits from geographic proximity, preferential access under the

USMCA and overall offers beer products at cheaper prices. Indeed, overall 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 consumer needs and hence hold on to their dominating market shares.

Market Takeaway: Beer

Consumption: *The total beer market had a value of about EUR 24.02 billion in 2019. 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 US.*

Distribution: *Beer is mainly purchased through off-trade channels; in particular, independent small grocery, food/drink/tobacco specialists and convenience stores.*

Challenges: *Saturated market, given the dominant domestic production, which effectively creates a duopoly; and strong competition from US imports.*

Opportunities: *Brewed beers are increasingly appreciated by Mexican consumers; further driven by the COVID-19 pandemic the health-conscious segment is driving the rising sales of non-alcoholic and light beers. Potential may be emerging among artisanal beers. E-commerce as a channel is growing in importance.*

5.9 Processed meat

5.9.1 SWOT analysis

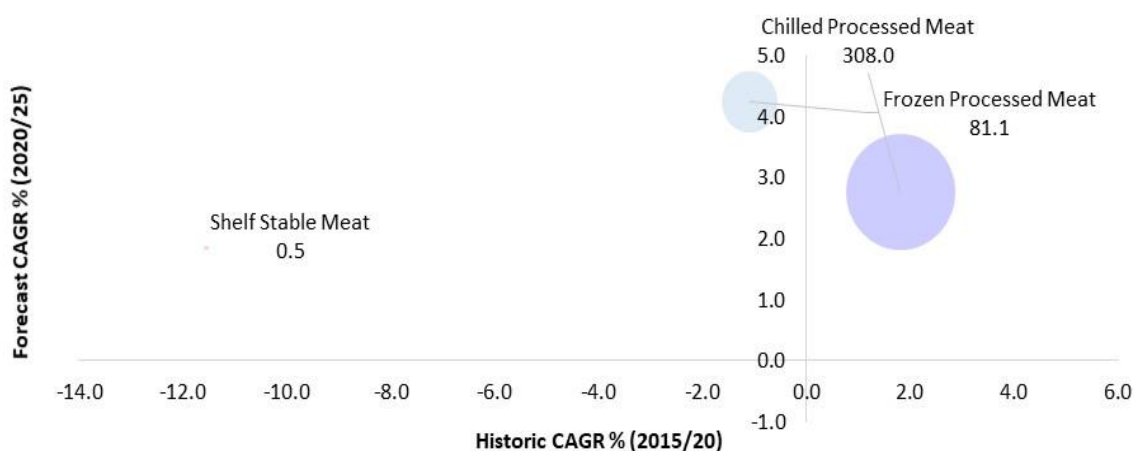
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of processed meat has been rising in Mexico in recent years. ▪ Spain is the second-largest exporter of processed meat to Mexico. 	<ul style="list-style-type: none"> ▪ Domestic products dominate the market. ▪ US exports dominate the market for imported processed meats. ▪ Fresh meat is preferred by consumers by a considerable margin.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Modernised FTA with Mexico, once in place, will reduce the trade advantages currently enjoyed by the US. ▪ Demand for niche foods growing in Mexico particularly caters for high quality processed meats. 	<ul style="list-style-type: none"> ▪ Consumers are increasingly health-conscious which has been further compounded by the outbreak of COVID-19 and the introduction of new mandatory nutritional labelling rules. ▪ Domestic production is rising, resulting in an even more competitive domestic market.

5.9.2 Consumption

Evolution of consumption

Figure 5-43 shows that consumption of processed meat in Mexico has been growing in recent years. Chilled processed meat, the largest segment currently, has a total volume of 308 000 tonnes and is forecasted to grow at a CAGR of 2.8% between 2022 and 2025. Chilled processed meat is more than double the size of the second-largest processed meat category which is frozen processed meat which recorded a total volume of 81 000 tonnes in 2020. Frozen processed meat however is forecasted to grow at a faster rate with a predicted CAGR of 4.2% expected between 2022 and 2025. Shelf-stable meat remains a small category in the Mexican processed meat market.

Figure 5-43: Evolution and forecast of the processed meat market in Mexico, 2015-2025; retail value EUR million



Source: Euromonitor International: Packaged Food, 2021.

Consumer profile and purchase criteria

Consumers

As mentioned in section 5.1.2, meat products constitute a prominent ingredient of Mexican dietary habits. Fresh meat dominates; however, processed meat only accounts for a fraction of meat consumption across both categories (<5% in 2020).

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. Typically, processed meat products in 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 quality, focusing on products with fewer added preservatives and natural ingredients. The introduction of a new mandatory nutritional labelling requirement in late 2020 (see section 4.2.2) has allowed consumers to further examine the content of processed meat which dissuades the more health-conscious consumers in Mexico. Families rushed to secure foods that can be stockpiled for a prolonged period as a consequence of the outbreak of COVID-19 in Mexico. Frozen processed meats and shelf-stable meats particularly grew in sales even if the latter remains a small product consumed in the country.

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 an approach has been triggered by consumers following a 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 purchases are based upon promotions in stores. With the closure of foodservice outlets, one of the key drivers of processed meat consumption has been negatively impacted by the outbreak of COVID-19, and this impact has remained even after re-opening as many consumers remain concerned about catching COVID-19 while out dining.

Purchase criteria

Mexican consumers generally tend to be rather price-conscious when purchasing processed meat products. Additionally, they often choose better-known and traditional products. In recent years a consumer segment with an intensified focus on health awareness has emerged. This segment pays greater attention to preservatives used, sodium, sugar and fat intake; and subsequently primarily bases its approach on quality and natural ingredients. Health-conscious consumers can take advantage of a new mandatory nutritional labelling requirement, introduced as of October 1, 2020; a black, octagonal-shaped warning seal will be required on the front-of-package of foods and non-alcoholic beverages that exceed pre-established thresholds of calories, sodium, trans fats, sugars, and saturated fats (see section 4.2.2). This allows consumers to regulate their intake of these categories which in turn is expected to dissuade mass consumption of processed meats amongst the more health-conscious consumers.

Recent market trends

The popularity of meat in Mexico has sustained growth in the processed meat sector in recent years. However, the outbreak of COVID-19 coupled with new mandatory nutritional labelling requirements have compounded a growing desire amongst consumers and the state to have a healthy and balanced diet. As a result, consumers which are amongst the more health-conscious are increasingly focusing their meat intake on fresh meat varieties over processed meats. Demand has largely been attributed to the growth in demand for products that can be stockpiled for a prolonged period which benefited processed meat sales; however, this trend will likely decline as the immediate impacts of COVID-19 begin to recede.

Consumer confidence was shaken in 2019 as a report from the Mexican federal attorney's office of the consumer (*Procuraduría Federal del Consumidor – PROFECO*) revealed that canned tuna brands had an excess amount of soy in their content and in some cases also contained dolphin meat.⁷⁶ Despite this relating to canned tuna especially, the processed meat sector as a whole suffered from the negative fallout of the report.

5.9.3 Offer

Domestic production

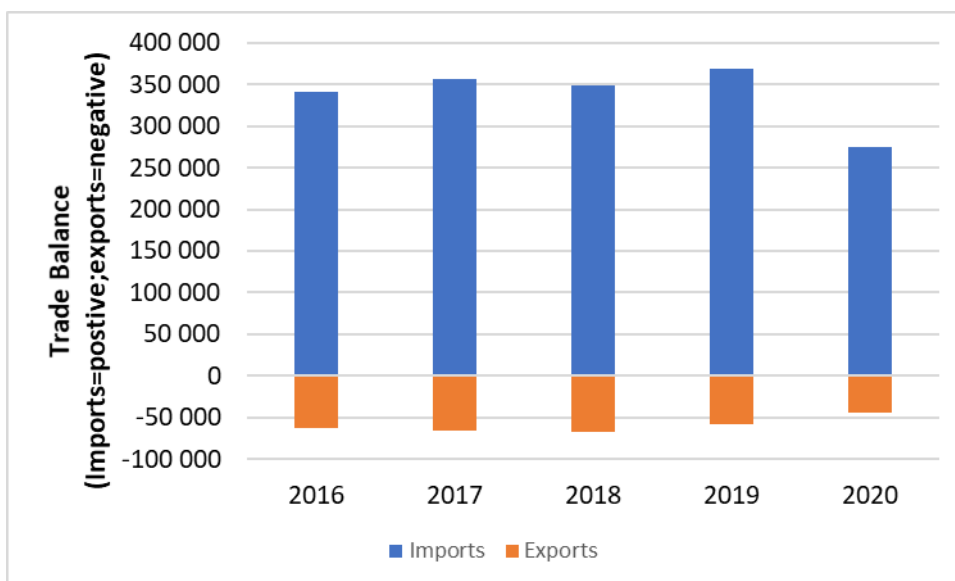
The market for processed meat in Mexico relies both on imported products as well as domestic production, which offers a wide product portfolio. The leading company, Mexican multinational Sigma Alimentos holds nearly a quarter of the market and specialises in chilled processed red meat and poultry as well as frozen processed poultry. Due to economic reasons which have been compounded by the COVID-19 pandemic, Mexican consumers are not particularly loyal to one brand, as they seek 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 is primarily consumed within the country, rather than exported, which further makes the domestic market in particular highly competitive.

⁷⁶ Study finds evidence of dolphin meat in Mexican canned tuna, Seafood Source, available at: <https://www.seafoodsource.com/news/environment-sustainability/study-finds-evidence-of-dolphin-meat-in-mexican-canned-tuna>

Imports and exports

As presented in Figure 5-44, imports of processed meat products into Mexico significantly outweigh exports by total value. Total imports came to a value of EUR 274 million in 2020, which represents a decline from the five-year high figure in 2019 of EUR 368 million, although it's likely the outbreak of COVID-19 played a role in this sharp decline. Total exports from Mexico have been stable at around EUR 60 million.

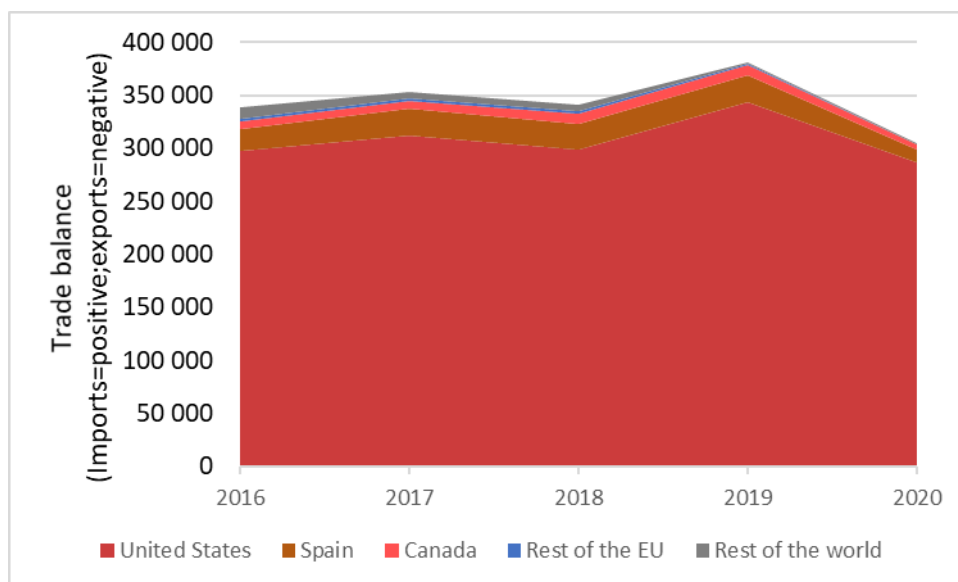
Figure 5-44: Trade balance (imports and exports) of processed meat in Mexico, 2016-20 (EUR 000)



Data for CN codes 0210, 1601, 1602.

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

Figure 5-45 below shows the largest exporter of processed meat was the United States which exported a total of EUR 66 million worth of processed meats to Mexico in 2020, accounting for roughly 90% of total Mexican imports. This was followed by Spain which exported a total of EUR 13 million worth of processed meat to Mexico and Canada which exported a total of EUR 4.2 million worth. Other EU Member States that have exported processed meat to Mexico to a limited level include Italy, France and Denmark.

Figure 5-45: Mexico imports of processed meat by country, 2016-20 (EUR)

Data for CN code 0210, 1601, 1602.

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

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
- Baranski 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
- 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)

Main competitors

Given the scale of US exports to Mexico, US manufacturers constitute the main foreign competitor when considering entering the market for processed meat in Mexico. More importantly, 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-made advertising campaigns.

Despite stiff competition from the US, US producers tend to focus on middle to lower-income earners and export their processed meats in bulk, whereas EU products are more focused on higher-income earners. As a result, while the US processed meats do dominate the market for imported processed meats, this competition is focused away from consumers that would generally purchase EU products (i.e. consumers of a higher income).

5.9.4 Specific market entry requirements

Market Access and Entry

Imported processed meat products are subject to 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 an 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 requires a 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.

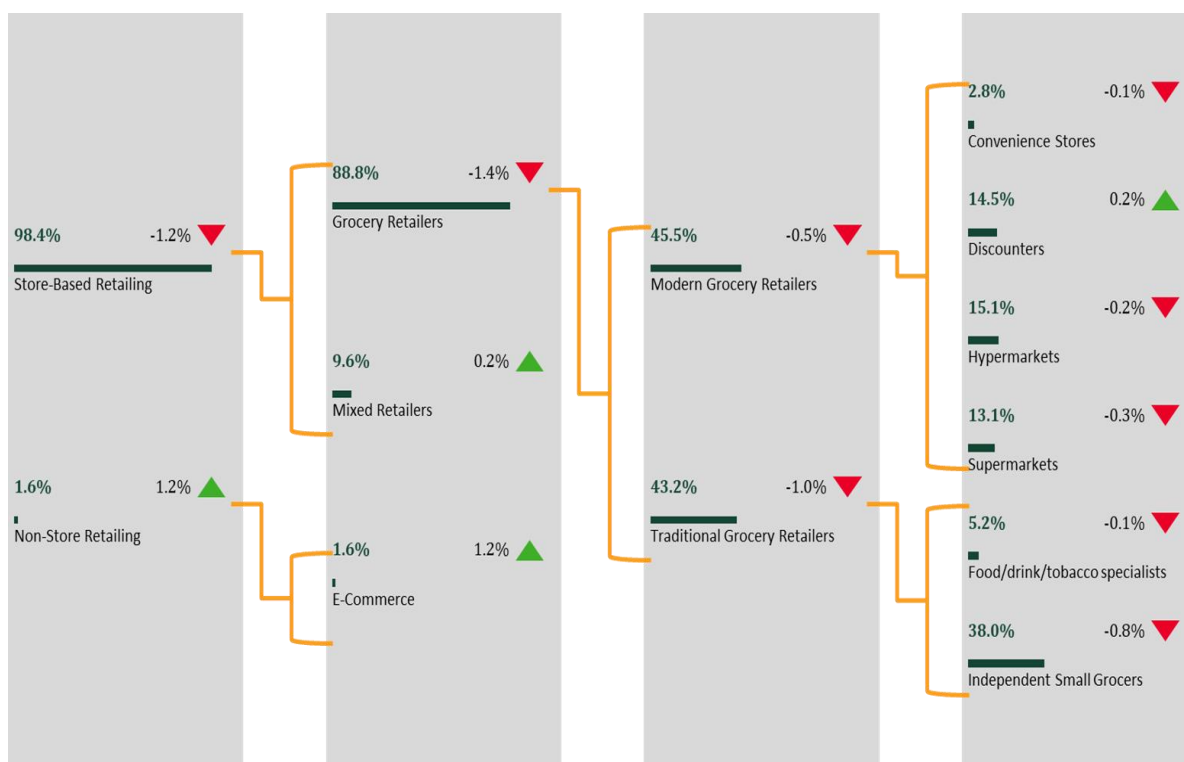
Up to date information on appropriate documents concerning SPS measures be consulted on European Commission website:

<http://madb.europa.eu/madb/indexPubli.htm>

5.9.5 Distribution

Figure 5-46 shows that processed meat is roughly evenly distributed via traditional and modern grocery retailers, with the latter being slightly ahead with a 45.5% share of distribution. Hypermarkets and discounters are the two largest distributors while supermarket outlets are also significant. Small independent grocers are the largest sole distributors of processed meats with a 38% share of distribution. E-commerce is a relatively new channel of distribution and accounted for 1.6% of sales in 2020.

Figure 5-46: Distribution channel overview of processed meat and seafood in Mexico (2020); retail value



Source: Euromonitor International: Packaged foods, 2021.

5.9.6 Challenges for EU products

EU producers planning to export processed meat products to Mexico should primarily take into account the strong domestic supply base, supplemented by established trade ties with the US and the current scale of US exports (the vast majority of imports of processed meat into Mexico come from the US). Domestic producers also constitute a notable challenge, as their wide product portfolio matches consumers' preferences. Moreover, as the Mexican consumer is, generally speaking, price-conscious, domestic manufacturers put great effort to advertise and promote their product through various means, including through frequent in-store promotions. To some extent, the challenges relating to trade with the US are likely to be addressed in the new modernised FTA agreement with Mexico.

Market Takeaway: Processed meat

Consumption: Consumption of processed meat has been on a gradual rise; however, total consumption has been impacted by the COVID-19 pandemic due to the closure of food service outlets. Fresh meat is still the most preferred amongst most consumers.

Competition: Market largely filled up by strong domestic production, which can correctly address domestic consumer demand; supply shortages and general import needs largely met by products imported from the US.

Distribution: Processed meat is distributed through traditional and modern retailers. E-commerce has emerged as a new channel and in 2020 accounted for 1.6% of sales.

Challenges: The US as a major exporter of processed meat products to Mexico; the strong position of domestic producers, offering a wide selection of products adapted to Mexican consumer preferences.

Opportunities: Reduction of trade advantages currently enjoyed by the US over the EU as a result of the modernised EU-Mexico FTA once this is in place.

5.10 Processed cereals

5.10.1 SWOT analysis

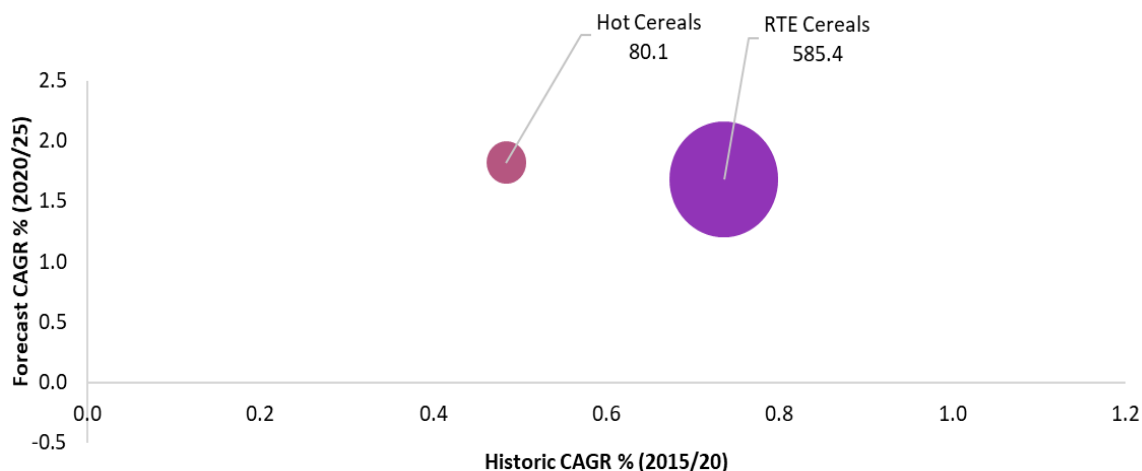
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption of processed cereals is projected to rise due to convenience and health-related drivers. ▪ The market is forecast to grow at higher rates than in previous years. ▪ Four out of the top 10 exporters are EU countries. 	<ul style="list-style-type: none"> ▪ Mexico is a net exporter of processed cereals with exports further increasing while imports decrease. ▪ The EU only accounts for 5% of exports to Mexico. ▪ New mandatory nutritional labelling requirements and a ban to use cartoons or games on the packaging of unhealthy products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Changes in Mexican breakfast habits, shifting to convenience. ▪ Healthy products e.g., with a reduced fat and sugar content, or immunity-boosting ingredients such as vitamins, calcium and iron. ▪ Higher-income consumers are likely to purchase higher-priced products of good quality. 	<ul style="list-style-type: none"> ▪ Strong consumer loyalty to brands. ▪ Large international/US companies dominate the market driven by their long-established presence and brands on the market. ▪ The US accounts for 89% of all imports by value.

5.10.2 Consumption

Evolution of consumption

As shown in Figure 5-47 the total market of the processed cereal market in Mexico was worth about EUR 665.5 million in 2020. Ready-to-eat (RTE) cereals accounted for most of that value with EUR 585.4 million (88%), whereas the hot cereal market recorded a value of around EUR 80.1 million. During the last years, the market grew at a slow pace, however, the pace of growth is forecast to pick up in the coming years. Between 2015 and 2020 RTE cereals grew by 0.7% per year and is forecast to grow at a CAGR of 1.7% between 2020 and 2025. Hot cereals historically grew with a lower annual growth rate of 0.5% and are forecast to grow at a rate of 1.8% until 2025.

Figure 5-47: Evolution and forecast of processed cereals market in Mexico, total value 2015-2025 (EUR million)



Source: Euromonitor International: Packaged Foods, 2021

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, tortillas, tomato sauce or *chilaquiles*.

However, due to 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, the perception of muesli and granola is rather positive, effectively driving its rising consumption.

Drivers and method of consumption

The consumption of breakfast cereals has been driven by the COVID-19 pandemic. In the beginning, consumers stockpiled breakfast cereals due to their long shelf life and later continued to consume them during the lockdown, while working or studying from home as they are a quick breakfast option. Thus, consumption of processed cereals in Mexico is mainly driven by convenience considerations, as consumers look for quick breakfast options. Consumption of sugary breakfast cereals is also driven by consumers that are looking for comfort food during times of hardship. However, as Mexican consumers are becoming more health-conscious, they started to appreciate products such as muesli and granola as well. 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. Processed cereals are often eaten for breakfast and can also be a snack anytime during the day⁷⁷.

⁷⁷ Euromonitor International: Packaged Foods, 2021.

Purchase criteria

The type of cereal is an important purchase criterion for many consumers. Children's breakfast cereals are the most popular choice, followed by family breakfast cereals, hot cereals, flakes, muesli and granola. Mexican consumers generally pay great attention to the 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 and would choose more natural options such as flakes, muesli and granola over sugary breakfast cereals. In particular higher-income consumers purchase muesli and granola which are often higher priced than traditional breakfast cereals. Lower-income consumers as well as the ones affected by the negative economic effects of the pandemic rather choose cheaper processed cereals and private labels or larger family packs.

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. However, companies also launched breakfast cereals with a reduced fat and sugar content, and immunity-boosting ingredients such as vitamins A, B, C and D as well as calcium and iron. 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. Private label products are becoming stronger on the market due to the economic uncertainty in the country as well as their new more sophisticated looks and better packaging which lift their image.

5.10.3 Offer

Domestic production

The processed cereals market in Mexico is characterized by the strong presence of domestic producers (often subsidiaries of multinationals), offering a vast selection of products. Mexican companies have developed efficient distribution networks, which gives leverage to reach retailers located throughout the country. The largest domestic producer, Kellogg de Mexico, leads the market for breakfast cereals in Mexico. The company accounted for 43% of the breakfast cereal retail value in 2020. Its success is mainly due to its popular brands such as Special K, Zucaritas (Frosties) or Choco Krispies among many others. Nestlé México ranks second and accounted for about 12% of the retail value in 2020 followed by Comercializadora Pepsico Mexico with 10% due to its popular brands including Quaker and Maizoro)⁷⁸.

Imports and exports

As presented in Figure 5-48, Mexico is a net exporter of processed cereals. In 2020 the country exported a value of about EUR 293.0 million, whereas it imported an approximate

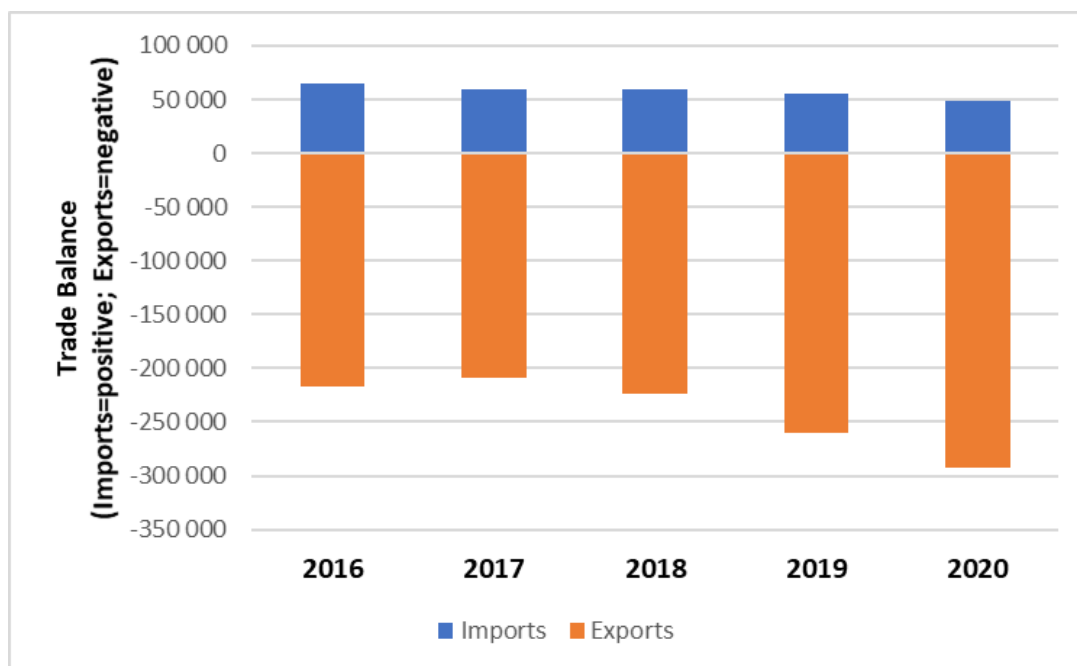
⁷⁸ Euromonitor International: Packaged Foods, 2021.

value of EUR 48.8 million. During the last years, Mexico’s exports increased, while its imports of processed cereal decreased.

The United States are the main exporter of processed cereals to Mexico with a value of EUR 43.2 million or 89% of the total value of imports into Mexico. Canada is the second biggest exporter, however far behind the United States with a value close to EUR 1.9 million, while Italy ranks third with a value of EUR 1.5 million. Besides Italy, Spain, Germany and France are also amongst the top ten exporters of processed cereals to Mexico. Yet, the EU as a whole only accounts for about 5% of exports (Figure 5-49).

The world’s average unit value of processed cereal exports to Mexico was around EUR 2 500 per tonne in 2018 (latest year available) (Figure 5-50). The unit value of US exports was slightly below the average at EUR 2 480 per tonne in the same year, while the unit value of Canadian products was even lower at EUR 1 860 per tonne. Processed cereals from Italy had a below-average unit value of EUR 2 130 per tonne as well, but the unit value of imports from other EU countries was above the world’s average.

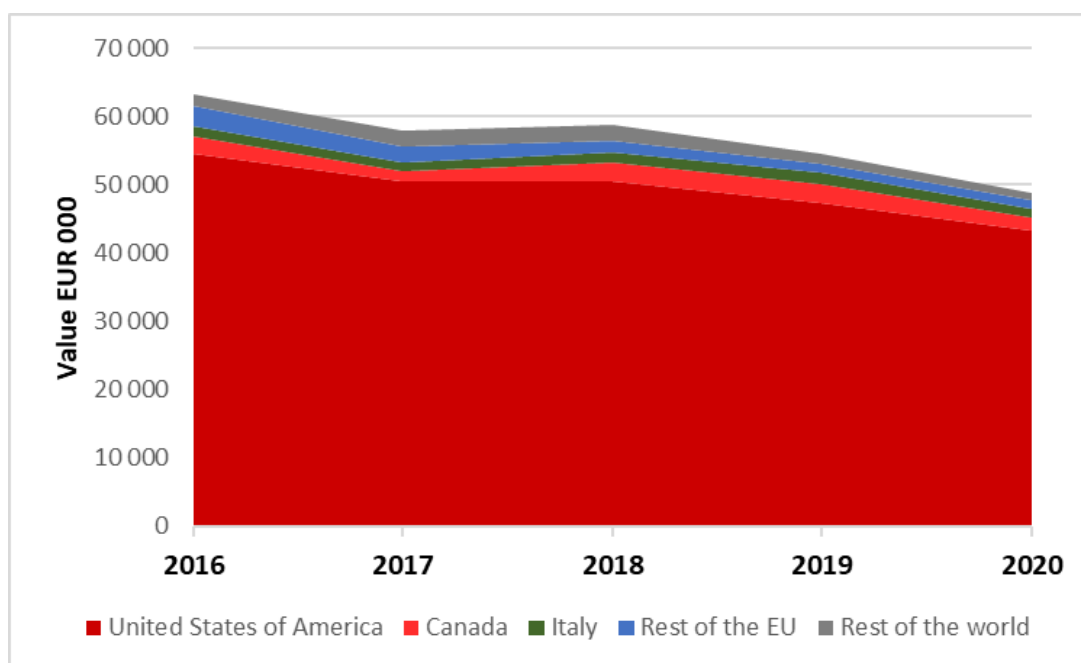
Figure 5-48: Trade balance (imports and exports) of processed cereals in Mexico, 2016-20 (EUR 000)



Data for CN code 1904

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

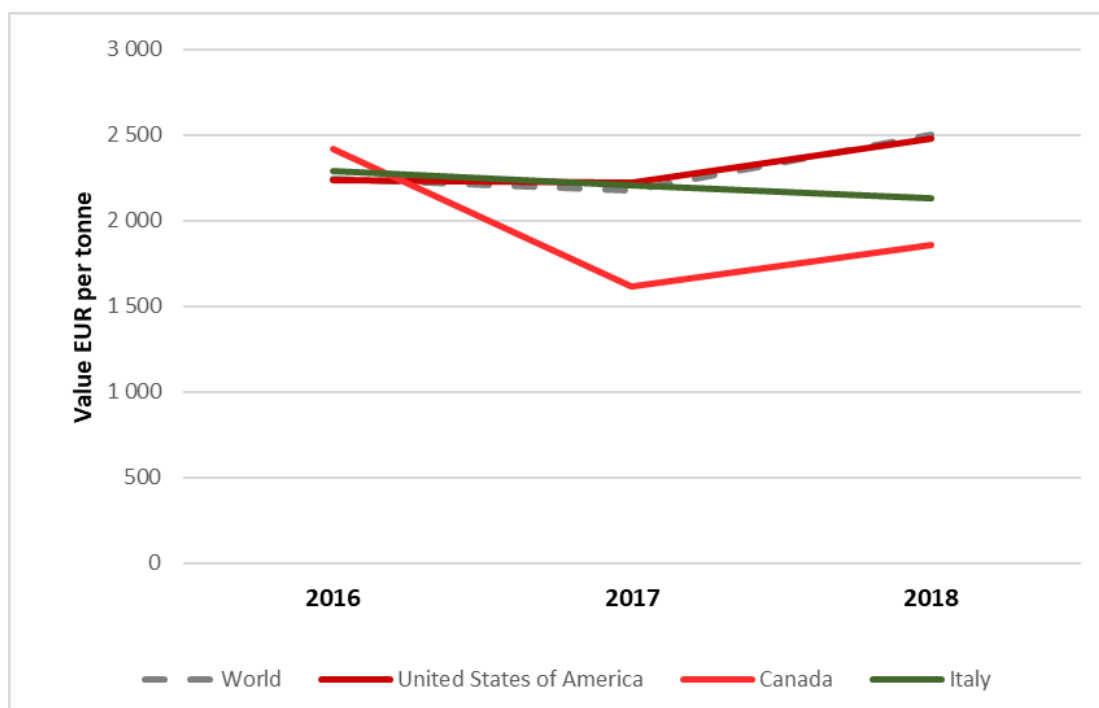
Figure 5-49: Mexican imports of processed cereals by country, 2016-20 (EUR 000)



Data for CN code 1904

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

Figure 5-50: Per unit value of Mexican imports of processed cereals for selected countries, 2016-18 (EUR per tonne)



Data for CN code 1904

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

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.

Main competitors

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 exporters of processed cereals to Mexico and are followed at a considerable distance by Canadian and Italian manufacturers.

5.10.4 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

No specific SPS measures are applied in the case of the 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/datasetPreviewIFpubli.htm?hscod=1904&countries=MX>

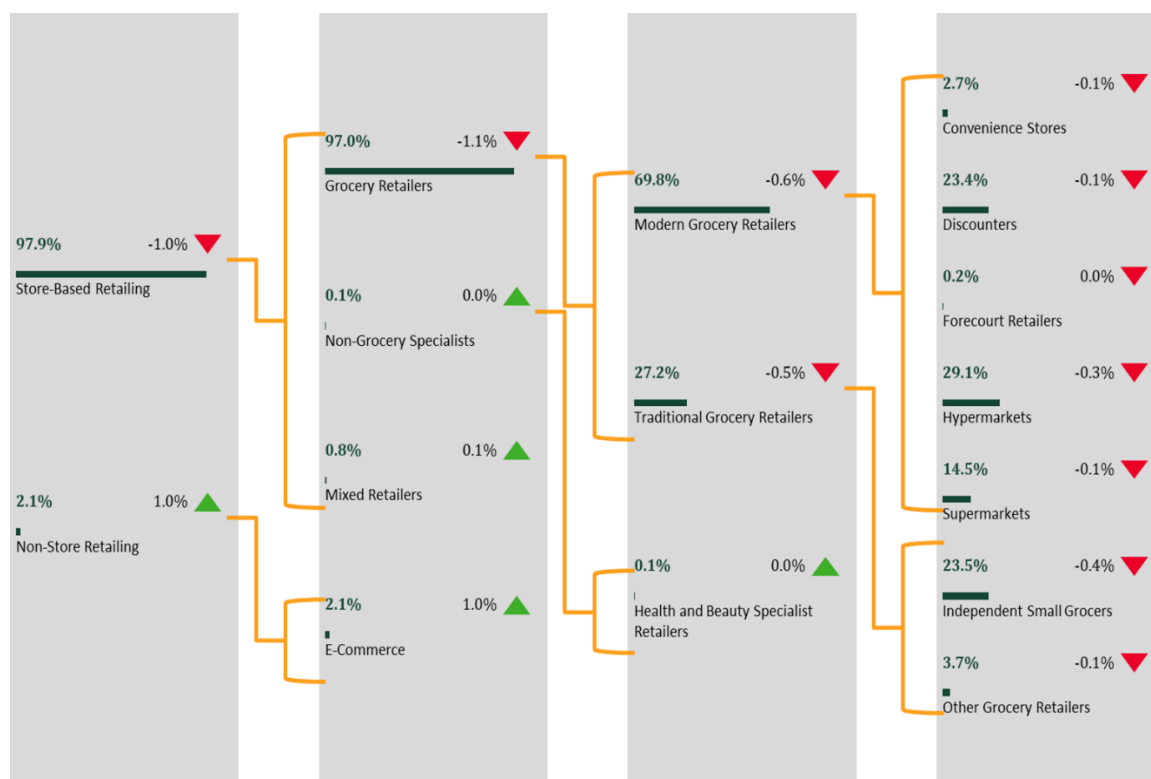
Labelling

As described in section 4.2.2, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

5.10.5 Distribution

Processed cereals in Mexico are mainly distributed through store-based retailers and include both modern and traditional grocery retailers (Figure 5-51); 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 (29.1%), followed by discounters (23.4%) and supermarkets (14.5%), whereas traditional retailers mainly relate to small independent grocers (23.5%). E-commerce remains a small channel, however, it has been growing by 1% between 2017 and 2020 and now accounts for 2.1% of the retail value.

Figure 5-51: Distribution channel overview of processed cereals in Mexico (2020); retail value



Source: Euromonitor International: Packaged Foods, 2021

5.10.6 Challenges for EU products

The greatest challenge EU producers face in Mexico is high competition due to the strong presence of international/US manufacturers on the market. International/US companies that produce their products in Mexico dominate the market due to well-established distribution networks as well as due to consumer loyalty, as several established brands of processed cereals have been very popular among consumers. The new mandatory nutritional labelling rules (see section 4.2.2) pose further challenges as processed cereals high in fats, sodium, sugar, and/or calories need to be labelled. Furthermore, cartoons or games that might attract children are not allowed on products that contain artificial sweeteners or are labelled with a black warning sign.

Market Takeaway: Processed cereals

Consumption: *The total market size of the processed cereal market in Mexico was about EUR 665.5 million in 2020. The market grew in recent years and is forecast to continue to grow at a faster pace.*

Competition: *Market-led by international/US companies, offering a wide selection of processed cereal products, with a developed distribution network. Foreign products in the majority are imported from the US.*

Distribution: *Processed cereals are distributed through a 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; new mandatory nutritional labelling requirements and related ban of cartoons or games on the packaging.*

Opportunities: *Rising health awareness, boosting the consumption of products such as muesli and granola, as well as products with a reduced fat and sugar content, or immunity-boosting ingredients.*

5.11 Processed fruit and vegetables

5.11.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Consumption has grown recently due in large part to the impact of the outbreak of COVID-19 in Mexico. ▪ Consumers increasingly appreciate convenience foods due to living ever busier lives. 	<ul style="list-style-type: none"> ▪ Availability of cheaper fresh fruit and vegetable options. ▪ Influence of US styled processed fruit and vegetable products.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Modernised FTA with Mexico will help facilitate trade. ▪ Foodservice outlets will act as a key driver for processed fruit and vegetable sales in Mexico once they re-open in mass. 	<ul style="list-style-type: none"> ▪ Domestic producers with established logistical links and known brands. ▪ Implementation of a new mandatory labelling requirement regarding nutritional content may dissuade the more health-conscious consumers.

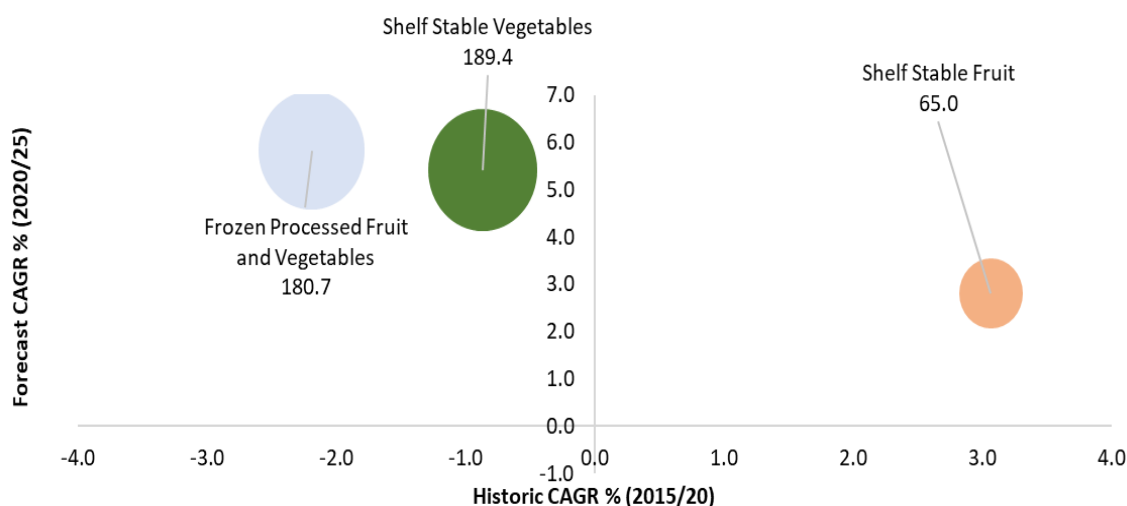
5.11.2 Consumption

Evolution of consumption

As shown below in Figure 5-52 the market for processed fruit and vegetables in Mexico has been on the rise. There have been two leading categories – shelf-stable vegetables being the biggest in terms of market size and frozen processed fruit and vegetables.

Shelf-stable vegetables are the largest processed fruit and vegetable product in Mexico with a total volume of 189 000 tonnes. This product is expected to grow at a CAGR of 5.4% between 2022 and 2025. Frozen processed fruit and vegetables are the second-largest processed fruit and vegetable product in Mexico with a total volume of 180 000 tonnes. This product is forecasted to grow at a CAGR of 5.8% between 2022 and 2025, which would make it the fastest-growing processed fruit and vegetable product in Mexico. Shelf-stable fruit is a smaller category with a total volume of 65 000 tonnes. Shelf-stable fruits are also expected to have a smaller forecasted CAGR of 2.8%.

Figure 5-52: Evolution and forecast of the processed fruit and vegetable market in Mexico, 2015-2025 (retail value, EUR million)



Source: Euromonitor International: Packaged Food, 2021.

Consumer profile and purchase criteria

Consumers

Consumption of processed fruit and vegetables grew during the COVID-19 pandemic in Mexico as consumers rushed to secure foods that can be stored for a prolonged period and offer convenience. Many such products, especially shelf-stable vegetables, are commonly used for the preparation of various popular traditional dishes, e.g. shelf-stable beans. Therefore, products used in chilli sauces, cooking sauces and pickled products have gained popularity. Consumption of certain processed fruit and vegetables such as frozen fries and shelf-stable beans have particularly seen growth in consumption in Mexico in recent years. Consumers of processed fruit and vegetables are more likely to come from a middle to higher income class due to these products costing more in terms of price and also requiring more specific, costly appliances to cook and prepare these products. Lower-income earners benefit from having wider access to cheaper and fresher fruit and vegetable options which further dissuades them from purchasing processed fruit and vegetables in mass.

Drivers and method of consumption

Processed fruit and vegetable products are used during meal preparation, with convenience being 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 is also a driver. Another key driver in sales in recent years has been the expansion of foodservice outlets in Mexico in a trend mirroring that seen in the neighbouring US. Despite the rise in foodservice outlets in Mexico, many consumers still prefer to cook at home; although the outbreak of COVID-19 negatively impacted foodservice outlets in the country, the rise in eating out will likely return once the immediate effects of COVID-19 have receded.

Purchase criteria

Consumers in Mexico base their processed fruit and vegetables purchases mainly on their convenience when preparing meals. As noted above, functionality for the recipe is, therefore, a key purchase consideration. Additional convenience features such as the forms of packaging, size of pouches/formats play a role, as consumers seek for their products to stay fresh as long as they can. Nonetheless, Mexican consumers tend to be price-sensitive and seek a good price-quality relationship for processed fruit and vegetable products which tend to cost more than fresher alternatives. The presence of new mandatory nutritional labels on processed fruit and vegetable products may further act as a disincentive for the more health-conscious consumers to purchase processed fruit and vegetables regularly.

Recent market trends

The outbreak of COVID-19 led to a rise in demand for foods that can be stored for a prolonged period and prepared at convenience for the consumers. As a result, the sale of processed foods and processed fruit and vegetables, in particular, grew in 2020. Value and convenience are the key recent market trends; with consumers likely to lead increasingly busy lives as the economy comes under pressure, this is likely to place price and convenience as the most important considerations when grocery shopping. Shelf-stable beans and French fries stand as the faster-growing fruit and vegetable products in the Mexican market going forward, which will be further compounded by the mass reopening of foodservice outlets in the country once the immediate impacts of COVID-19 have receded.

5.11.3 Offer

Domestic production

The market for processed fruit and vegetables in Mexico is rather divided into several major domestic producers. The largest, Conservas la Costeña, offers a wide range of products, mainly shelf-stable. The company has developed a solid consumer base in the country due to its association with 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.

Imports and exports

Identifying data on trade in processed fruit and vegetable product is extremely complicated due to the number of different lines under which such products can be imported. Data on trade in processed fruit and vegetables is ultimately captured under the trade data for fruit and vegetables in section 5.2.3.

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)

Main competitors

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 a better position to reach the customer base in Mexico.

5.11.4 Specific market entry requirements

Market Access and Entry

Imported processed fruit and vegetables are subject to 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 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 requires a 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>

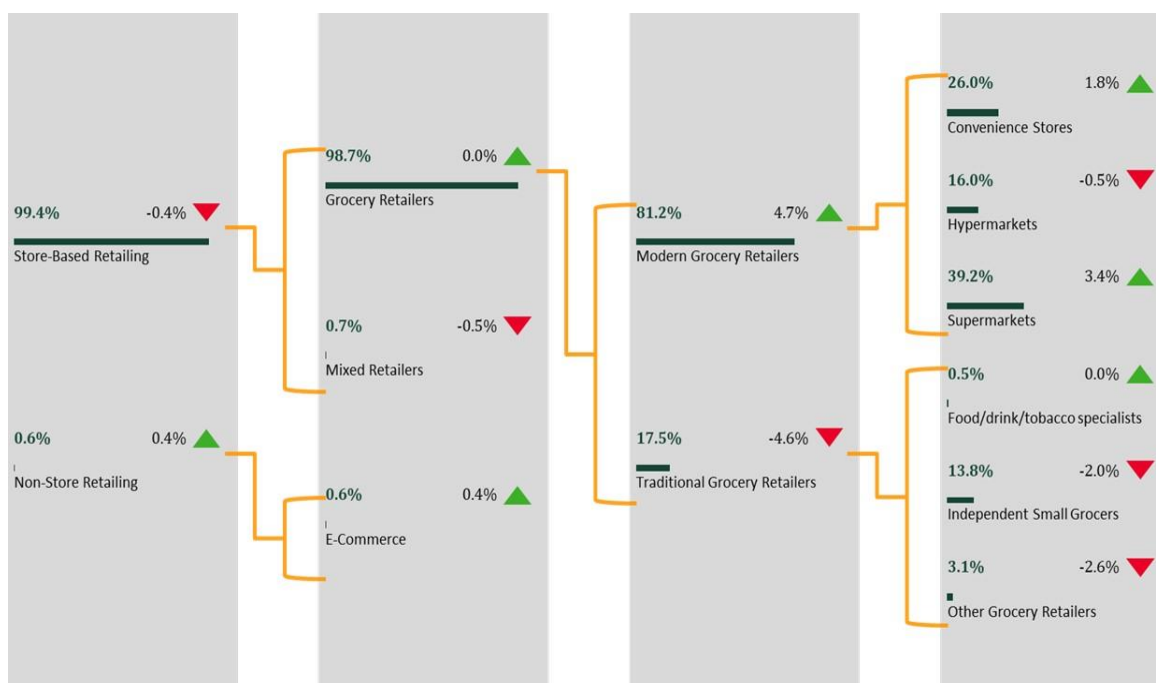
Labelling

As described in section 4.2.2, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

5.11.5 Distribution

As can be seen in Figure 5-53, processed fruit and vegetables in Mexico are being distributed through store-based retailers, modern grocery retailers and traditional grocery retailers in almost equal shares, with the first group having the bigger share in terms of retail value. In 2020, consumers purchased processed fruit and vegetables the most often in hypermarkets and discounters, followed by convenience stores with a 7.4% share. E-commerce sales grew quickly in 2020 due in part to the COVID-19 pandemic and now account for 3.3% of sales in Mexico.

Figure 5-53: Distribution channel overview of processed fruit and vegetables in Mexico (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.11.6 Challenges for EU products

As previous sections outlined, the processed fruit and vegetable market in Mexico is characterised by the strong presence of domestic manufacturers, having developed a wide distribution network and established brands matching consumer preferences. This, coupled with the influx of US styled processed fruit and vegetable products, make it additionally difficult for EU processed fruit and vegetable exporters in the Mexico market.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumption has been growing; shelf-stable products are preferred and continue to grow, however consumption of frozen products has also accelerated. The outbreak of COVID-19 has further accelerated sales of processed fruit and vegetables.

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 2020), such as hypermarkets convenience stores and discounters

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

Opportunities: The EU-Mexico modernised FTA will include the removal of certain tariffs and enhanced protection of certain GI products; overall consumption is also rising.

5.12 Honey

5.12.1 SWOT analysis

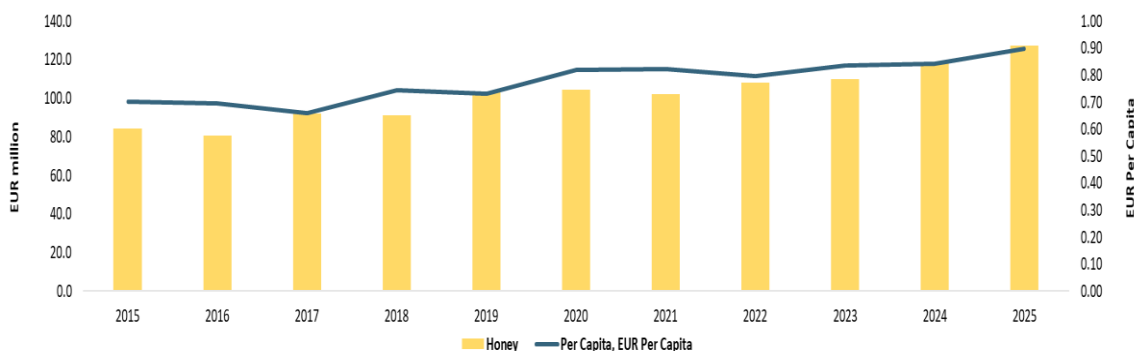
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Honey is used as an ingredient, in the food and the beauty industry. ▪ The market grew during recent years and is forecast to continue to grow. 	<ul style="list-style-type: none"> ▪ Imports of honey are negligible. ▪ Consumption of honey is relatively low.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Consumption of honey is on the rise. ▪ Upcoming protection of two GIs under the updated FTA. ▪ Health-conscious and higher-income consumers. 	<ul style="list-style-type: none"> ▪ Domestic producers dominate the Mexican honey market; production is larger than internal consumption.

5.12.2 Consumption

Evolution of consumption

Despite the wide domestic production, the consumption of honey is relatively low in Mexico. Nonetheless, as outlined in Figure 5-54, the honey market had a size of about EUR 104.4 million in 2020. In recent years, between 2015 and 2020, the market grew by 4.4% annually and is forecast to continue to grow between 2020 and 2025 with an annual growth rate of around 4.0%. Thus, the market is forecast to reach a market size of around EUR 127.1 million in 2025. Per capita consumption in 2020 was at EUR 0.8 and is forecast to reach EUR 0.9 in 2025.

Figure 5-54: Evolution and forecast of the market for honey (EUR million) and honey consumption per capita (EUR) in Mexico, 2015- 2025



Note: figures for 2021 to 2025 based on forecasts

Source: Euromonitor International: Packaged Food, 2021

Consumer profile and purchase criteria

Consumers

Although Mexico is among the largest producers of honey in the world, Mexicans are not used to consuming this product frequently. Higher-income consumers are more likely to consume honey due to its high price point. Health-conscious consumers often prefer to consume honey rather than industrial sugars and other sweeteners.

Drivers and method of consumption

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 shampoo.

Purchase criteria

An increasing number of Mexicans has started to purchase honey as a healthier alternative to sugar, although this is not the case for price-sensitive consumers, as other sweeteners are more affordable. Honey is also increasingly seen as a healthy ingredient that can have a positive impact on the immune system.

Recent market trends

The honey market, although small, recorded 4.4% annual growth between 2015 and 2020. Furthermore, in the coming years, the market is set to grow at 4.0%. Consumption was around 22 000 tonnes in 2020 and is forecast to reach 25 300 tonnes by 2025 driven by higher income and health-conscious consumers.

5.12.3 Offer

Domestic production

Beekeeping has a long history in Mexico and honey was already an important product in the Maya culture⁷⁹. It is a very rewarding activity as it has positive environmental, social and economic impacts⁸⁰. 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 the United States, as it is too pricey for the domestic market. Honey is produced almost everywhere in Latin American countries. Nonetheless, 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, the production of higher-quality honey is concentrated in Yucatan and Campeche, whose final products are the most recognised in the world.

Imports and exports

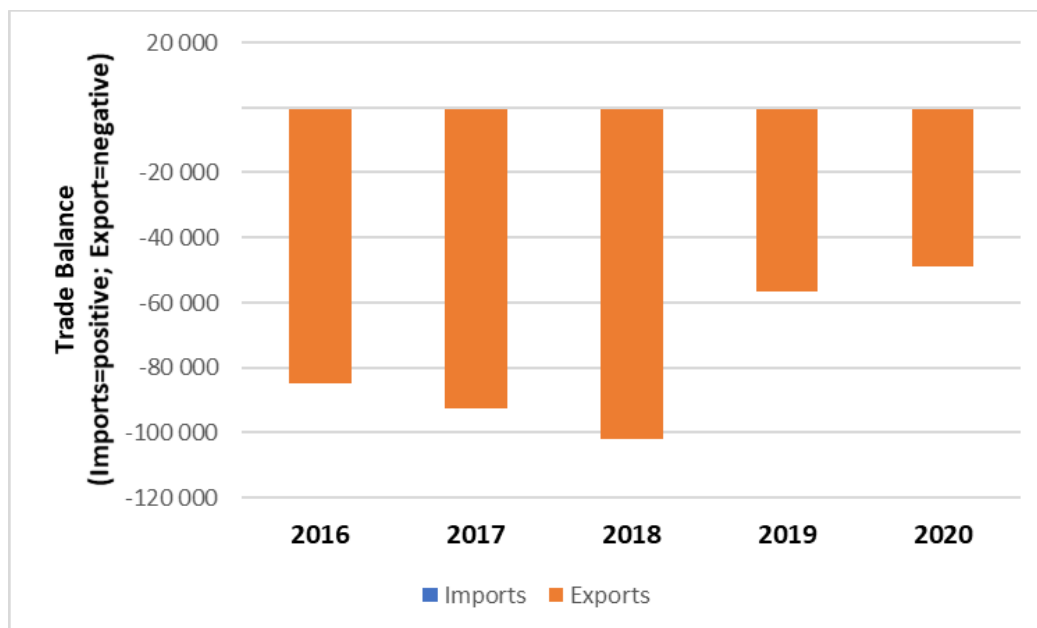
Due to the large domestic production, imports of honey into Mexico are negligible compared to exports. In 2020, Mexico exported honey worth EUR 48.7 million, whereas it

⁷⁹ The geography of honey production in Mexico. Available at: <https://geo-mexico.com/?p=4672>

⁸⁰ Production and exports of Mexican honey (2020). Available at: <http://www.aroec.org/ojs/index.php/ARoEc/article/view/109/81>

barely imported any honey. Since 2019 Mexican honey exports are declining. Exports were double as high in 2018 compared to 2020 (Figure 5-55).

Figure 5-55: Trade balance (imports and exports) of honey in Mexico, 2016-20 (EUR 000)



Data for CN code 0409

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

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: Portuguese *Mel dos Açores* and Slovenian *Slovenski med*.

Main competitors

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 as well as exports. In terms of company shares, McCormick & Co and Savien Frusweet SA are leaders in the market.

5.12.4 Specific market entry requirements

Market Access and Entry

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 e=0409>

Customs procedures

A list of standard documents required for importing honey into Mexico is presented in section 4.2.1. Furthermore, further documents are requested for customs 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 e=0409>

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 e=0409>

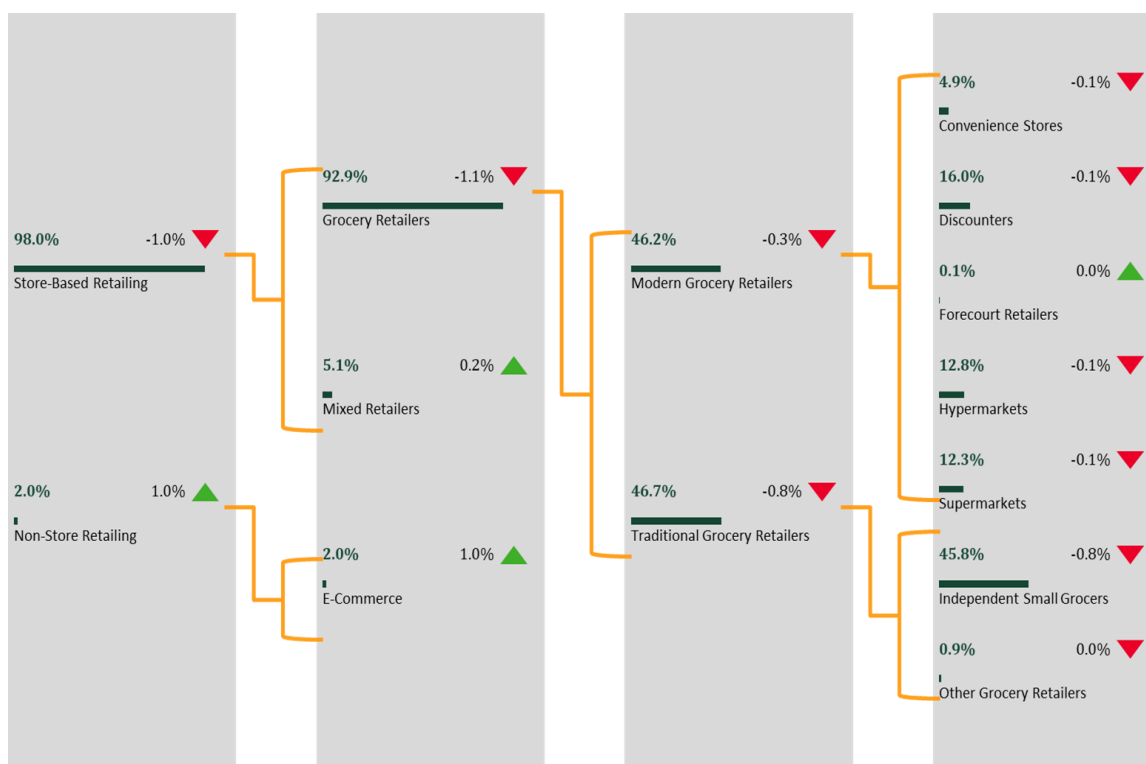
Labelling

As described in more detail in section 4.2.2, imported honey must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051- SCFI/SSA1-2010.

5.12.5 Distribution

As outlined in Figure 5-56, in Mexico distribution of sweet spreads, including honey, mainly relies on store-based retailing, specifically grocery retailers (92.9%). Of these, in 2020 about half were traditional grocery retailers, especially independent small grocers, and the other half were modern grocery retailers, mostly discounters (16.0%), hypermarkets (12.8%), and supermarkets (12.3%). The e-commerce sector accounts for 2% of the retail value and doubled in size since 2017, thus becoming more important.

Figure 5-56: Distribution channels overview of sweet spreads (including honey) in Mexico (2020); retail value



Source: Euromonitor International: Packaged Food, 2021

5.12.6 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 them to satisfy the internal demand for honey as well as export large volumes.

Market Takeaway: Honey

Consumption: The honey market had a size of about EUR 104.4 million in 2020. Consumption of honey is on the rise, although relatively low, compared to 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 satisfied by domestic production; imports of honey are negligible.

Opportunities: Target health-conscious and higher-income consumers. Protection of two GIs under the updated FTA may provide some opportunities, though against the background of the substantial challenges set out above.

5.13 Baked goods

5.13.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Mexicans are large consumers of bread, cakes and pastries. ▪ The baked goods market is forecast to further grow between 2020 and 2025, across all product categories. 	<ul style="list-style-type: none"> ▪ Domestic production is large, varied and affordable. ▪ EU accounts for only 10% of exports to Mexico, hence EU products are not very well known. ▪ Unit values of products from most EU countries are much higher than the world's average. ▪ New nutritional labelling requirements concerning products high in certain ingredients such as sugar, sodium, saturated and trans fats.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Bread and pastries, as they have the biggest market size and are forecast to grow the most. ▪ Health-oriented consumers are increasingly demanding low fat, low sugar or gluten-free products. ▪ Increased demand for packaged products due to safety concerns during the pandemic as well as convenience. 	<ul style="list-style-type: none"> ▪ Nearly four-fifths of value comes from artisanal local Mexican producers. ▪ Domestic producer Bimbo is the unquestionable leader in the packaged market. ▪ The US dominates imports in terms of volume and value.

5.13.2 Consumption

Evolution of consumption

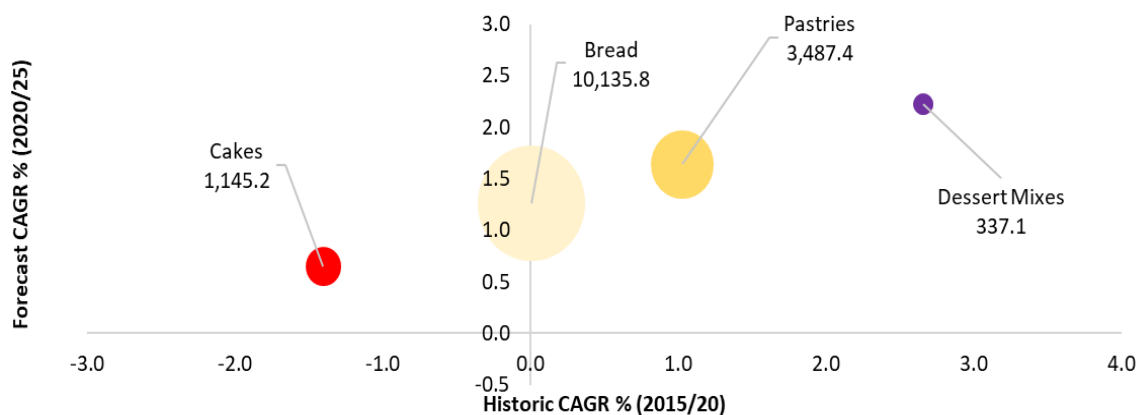
Mostly driven by bread purchases, consumption of baked goods is high in Mexico (Figure 5-57). In 2020, the total market size of the baked goods market was around EUR 15.1 billion. Bread is the biggest category and accounted for around 67% of the total market size with a value of approximately EUR 10.1 billion. This is followed by pastries with about EUR 3.5 billion and cakes with EUR 1.2 billion. Dessert mixes are the smallest category with a size of around EUR 337 million.

Recent trends in baked goods consumption, however, vary between different product categories. Dessert mixes recorded the highest positive growth rate between 2015 and 2020 with a CAGR of around 2.7%, followed by pastries with a growth rate of about 1.0%. The bread market remained at the same level, while the cake market declined at a negative CAGR rate of approximately -1.4%. Nonetheless, consumption is projected to recover in the coming years as all categories are forecast to experience positive growth between 2020 and 2025. Dessert mixes are likely to remain the category with the highest growth, with a forecasted CAGR of 2.2%, followed by pastries with 1.6% and bread with 1.3%. Cakes remain the category with the lowest forecasted CAGR growth rate of

approximately 0.7%.

Even though the overall market size is forecast to grow, per capita consumption of bread, cakes and pastries is forecast to slightly decrease by 2025. Only per capita consumption of dessert mixes is forecast to increase by 2025.

Figure 5-57: Evolution and forecast of the baked goods market in Mexico, 2015-2025 (retail value, EUR million)



Source: Euromonitor International: Packaged Food, 2021.

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 their scarce availability.

Drivers and method of consumption

The COVID-19 pandemic influences the shopping behaviour of Mexican consumers. Social distancing and working or studying from home increased the number of meals that are eaten at home. As a result, the demand for staple foods such as bread, in particular, flatbread (tortillas), increased. The foodservice sector, on the other hand, decreased its sales of baked goods due to COVID-19 related restrictions. Once, the pandemic is over and consumers are going back to pre-COVID-19 behaviours, the foodservice sector and bakeries are expected to recover.⁸¹

Before the pandemic, about 70% of consumers usually bought bread (including tortillas) directly at the bakery and consume it at home. This is possible, as all consumers report having a bakery near their home. However, due to the COVID-19 pandemic, an increasing number of consumers purchase bakery products together with other items in grocery stores to spend less time outside. Bread is purchased at least twice per week, by almost all consumers. Bread products are also quite extensively used in the foodservice sector,

⁸¹ Euromonitor International: Packaged Foods, 2021.

including street food. Sweetbread is mostly purchased to be consumed at breakfast, dinner or as a snack. Similarly, cakes are mostly purchased at patisseries and consumed at home, with nearly 15% of consumers ordering it at restaurants. 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).

Purchase criteria

Before the COVID-19 pandemic consumers had a clear preference for artisanal products, especially when it comes to bread as unpackaged bread is usually cheaper and supposedly fresher. The perception of freshness, which is associated with quality, is an important driver of sales of unpackaged products, as these are usually baked daily. However, since the start of the COVID-19 pandemic, consumers are more likely to purchase packaged products. Consumers are increasingly opting for packaged baked goods due to food safety reasons. Many consumers believe that if they purchase unpackaged baked goods the risk of contamination with COVID-19 is higher than for packaged goods. Another reason why consumers prefer packaged baked goods is that they can get them in grocery stores while also buying other necessities, whereas they would have to do an extra trip to a bakery and thus, the risk of contamination is even lower, and the level of convenience is higher. However, artisanal bakeries still account for over three-fourths of value sales of baked goods in the country.

As the pandemic is likely to put pressure on the Mexican economy in the coming years, consumers spending power might decrease and the price will become an even bigger purchase criterion than it already is. This is likely to further drive the demand for flatbread as it is usually the cheapest bread option, whether bought in a supermarket or bakery. Overall, consumers are likely to focus more on purchasing essentials such as bread rather than e.g., cakes⁸².

Already before the COVID-19 pandemic the health awareness of Mexican consumers started to increase and got an extra boost due to the pandemic. As a result, health-conscious consumers are expected to consume fewer sweets, such as cakes and instead focus on healthier snacks. However, artisanal sweet, baked goods are likely to remain a popular treat.

Recent market trends

Most notably, recent market studies indicate that Mexican's favourite bakery goods are the bread and pan dulce (sweet bread), a name that refers to popular Mexican pastries, which are often purchased by consumers of all social classes. Flatbread, 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 biscuits.

Although *pan dulce* accounts for most Mexican sweet purchases in bakeries, consumers also have a taste for cakes, particularly chocolate, vanilla, and strawberry flavoured ones. 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

⁸² Euromonitor International: Packaged Foods, 2021.

are increasingly being added to bakery products, hence meeting the demand of more health-conscious consumers⁸³.

5.13.3 Offer

Domestic production

With 22 million tonnes produced every year, Mexico's most popular bread is tortilla made of cornmeal. 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 products, such as white and sweet bread, whose market value amounts to 120 billion Pesos (around EUR 5.5 billion).

Artisanal players accounted for close to 76% of the retail value of the Mexican baked goods market in 2020. The biggest player in the Mexican market is Grupo Bimbo, which is a domestic company that accounted for around 18.5% of the retail value in 2020. Their main brands include Bimbo, Tía Rosa, Marinela and Sandy brands.⁸⁴ Thus, the market is highly fragmented as there are around 33 000 enterprises in Mexico that deal with the production of bakery products; most of which are SMEs, along with the market-leading company Grupo Bimbo.

Imports and exports

As shown in Figure 5-58, Mexican exports of baked goods largely exceed imports. In 2020 Mexico imported baked goods with a value of around EUR 267.3 million whereas it exported approximately EUR 1.3 billion. Overall, imports have grown over the years, however, showed a slight decline in 2020. Yet, they increased by more than 9% between 2016 and 2020.

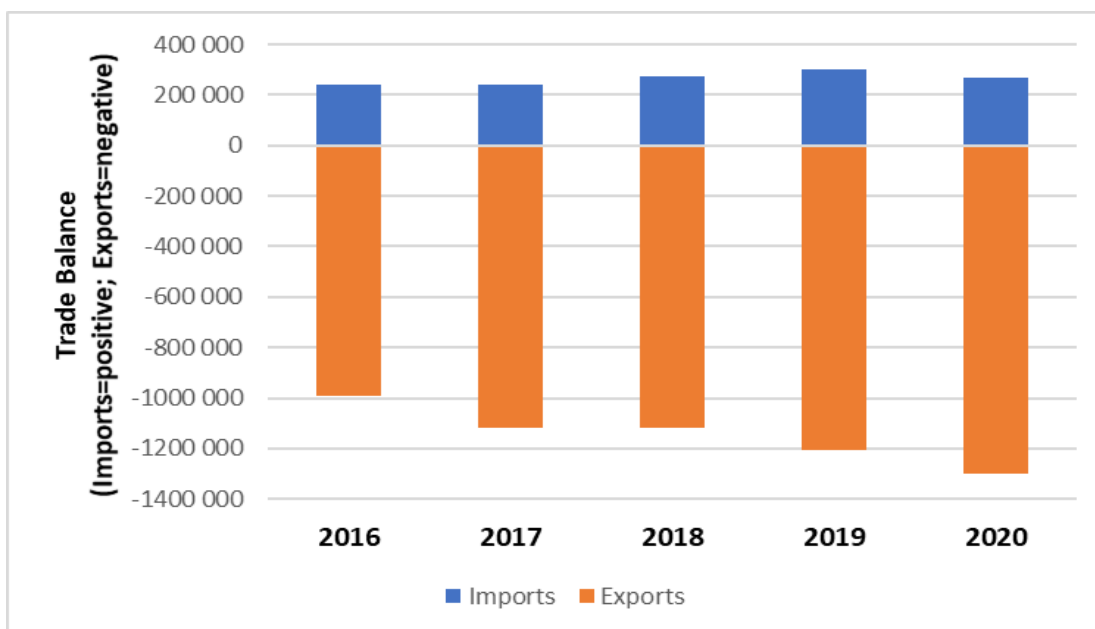
As outlined in Figure 5-59, baked goods are mostly supplied by the United States which exported about EUR 171.9 million to Mexico in 2020 and thus accounted for approximately 69% of all imports. Canada ranks second with a value of about EUR 46.0 million (17%). Spain, the main EU exporter, ranks third with an exported value of EUR 7.4 million in 2020. In total, five out of the top ten exporters of baked goods to Mexico are from the EU. Together these five countries (which also include Italy, France, Germany and Poland) account for 10% of the total value.

The world's average unit value of baked goods exports to Mexico was around EUR 2 860 per tonne in 2018 (Figure 5-60). The unit value of products from the United States was below the world's average at approximately EUR 2 390 per tonne. The unit value of Canadian baked goods on the other hand was nearly three times higher than the world average at around EUR 8 420 per tonne in 2018. The unit value of products from Spain, however, was below the world's average at around EUR 2 580 per tonne. Yet, the unit values of exports in all other EU countries were much higher than the world's average unit value.

⁸³ 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>

⁸⁴ Euromonitor International: Packaged Foods, 2021.

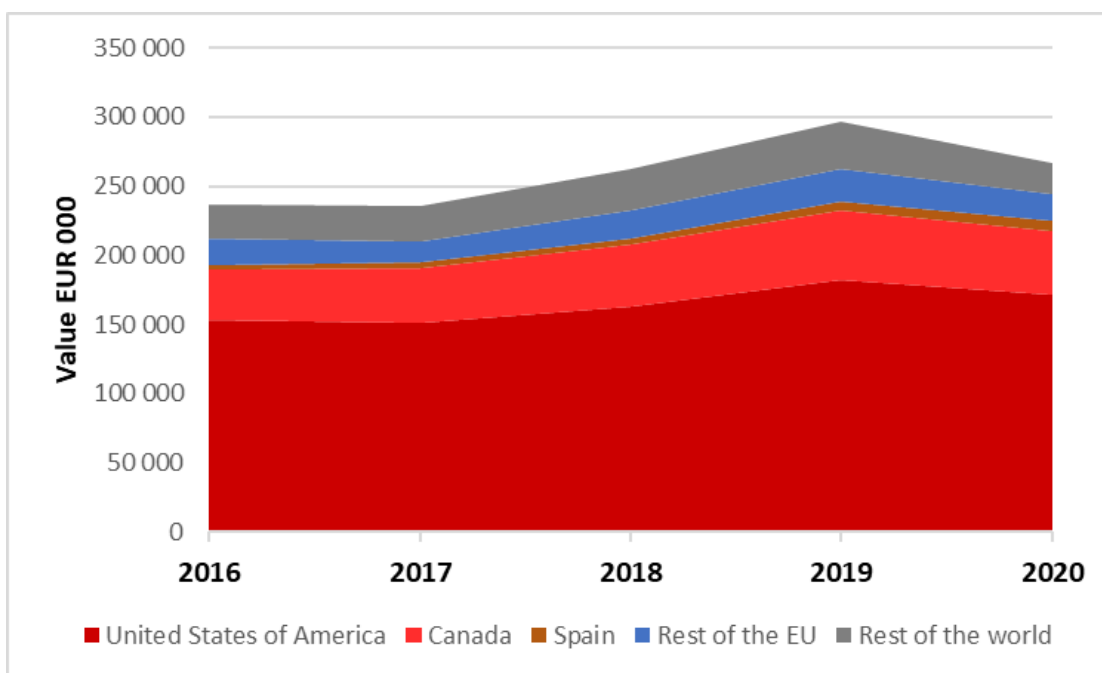
Figure 5-58: Trade balance (imports and exports) of baked goods in Mexico, 2016-20; Value EUR 000



Data for CN code 0409

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

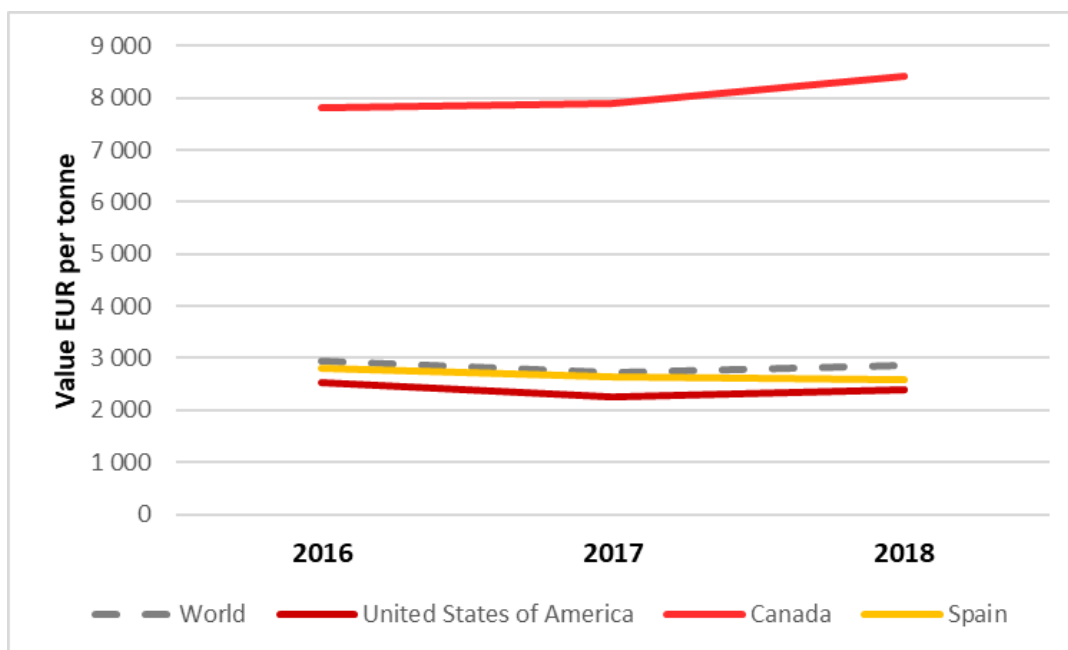
Figure 5-59: Mexican imports of baked goods by country, 2016-20 value EUR 000



Data for CN code 0409

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

Figure 5-60: Per unit value of Mexican imports of baked goods for selected countries, 2013-17 (EUR per tonne)



Data for 2020

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

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*

Main competitors

In terms of exporting countries, the United States is a leader in shipping bakery goods to Mexico, followed by Canada. Furthermore, the domestic market is highly competitive as it is dominated by artisanal production. When it comes to packaged baked goods, the domestic company 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 consumers.⁸⁵

⁸⁵ Euromonitor International: Packaged Foods, 2021

5.13.4 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 the import of bakery goods into Mexico is presented in section 4.2.1. Furthermore, further documents are required for customs 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
- 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>

Standards, 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 4.2.2, imported bakery goods must comply with the specific labelling rules set out in Norma Oficial Mexicana 051, or NOM-051- SCFI/SSA1-2010.

5.13.5 Distribution

As depicted in Figure 5-61, the distribution of bakery goods is fragmented. However, it can be observed that store-based retailing is the leading distribution channel. Most notably, grocery retailers accounted for 97.1% of all sales, 60.9% of which were done through traditional grocery retailers in 2020. Food/drink/tobacco specialists (37.4%), and independents small grocers, or tienda (21.6%) were the most important traditional grocery retailers. The remaining sales took place through modern grocery retailers (mostly discounters and hypermarkets). E-commerce is a growing yet very small channel.

Figure 5-61: Distribution channel overview of baked goods in Mexico in 2020; retail value



Source: Euromonitor International: Packaged Food, 2021.

5.13.6 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 and Canadian products. The new mandatory nutritional labelling requirement concerning products high in certain ingredients such as sugar, sodium, saturated and trans fats further complicate exports as these need to be properly labelled.

Market Takeaway: Baked goods

Consumption: *The total market size of the baked goods market was around EUR 15.1 billion in 2020, with bread being the biggest category. Bread and pastries are forecast to grow at the fastest pace.*

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

Distribution: *Distribution is fragmented, but mainly takes place through traditional grocery retailers such as food/drink/tobacco specialists and independent small grocers, followed by modern ones.*

Challenges: *Relatively small market, strong business ties with foreign importers, especially from the US.*

Opportunities: *Projected upward trend in demand for all baked goods categories.*

5.14 Live plants

5.14.1 SWOT analysis

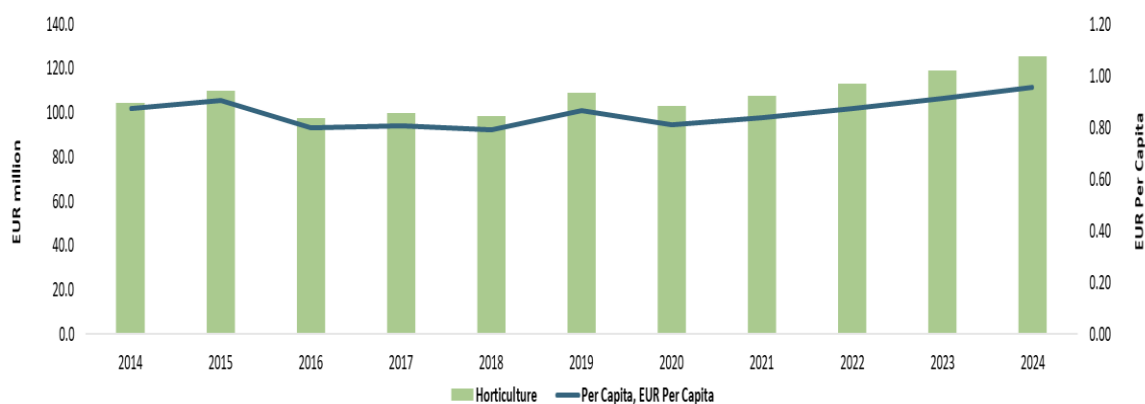
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Growing interest in live plants. ▪ Mexico is a net importer of live plants. 	<ul style="list-style-type: none"> ▪ Relatively small market. ▪ Domestic producers dominate.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ The projected upward trend of consumption. 	<ul style="list-style-type: none"> ▪ Well-established business relations with importers from the US. ▪ SPS and labelling requirements generally complicate exports

5.14.2 Consumption

Evolution of consumption

The market for horticultural products in Mexico had a market size of around EUR 109.1 million in 2019. It is predicted to pick up after 2021, after a period of lower value between 2016 and 2018 (Figure 5-62). Between 2014 and 2019 the market grew by an annual rate of around 0.9%, whereas it is forecast to grow much faster by about 2.8% per year until 2024.

Figure 5-62: Evolution and forecast of the horticulture market (EUR million) in Mexico, retail value 2014-2024



Source: Euromonitor International: Home and Garden, 2021

Consumer profile and purchase criteria

Consumers

Mexico is known for its 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 the exotic plants of the humid south. The most well-known plant is indubitably the iconic cactus, which has been associated with Mexico for a 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 balconies. 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

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 the case of household plants, where the most popular plants are those that are easy to take care of and please the eye.

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 on their balconies. Generally speaking, live plants have been perceived as an embellishment of the surroundings.

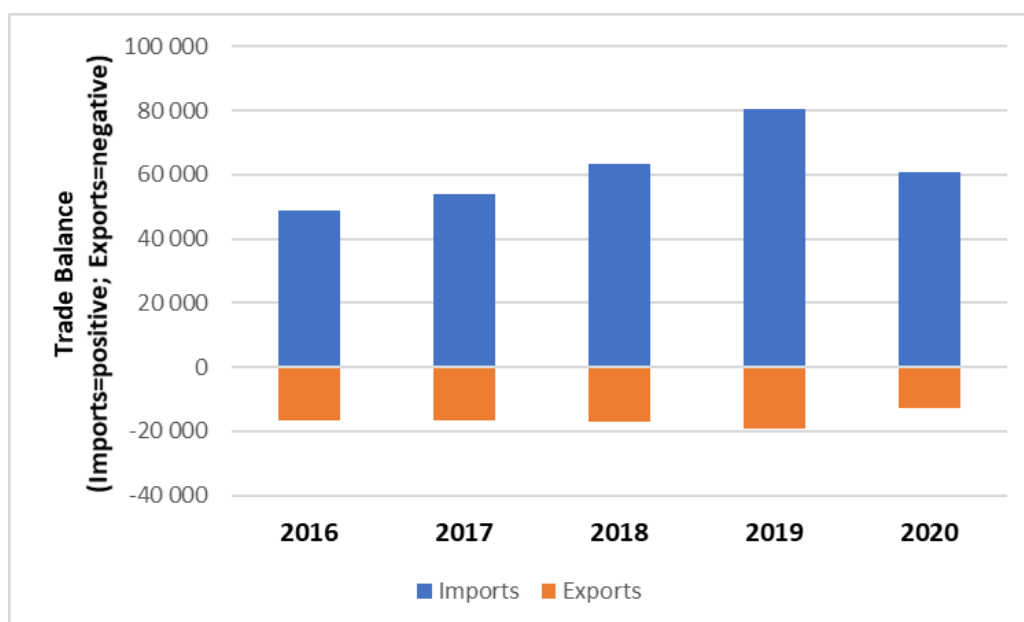
5.14.3 Domestic production

Due to climate diversity, there are many varieties of live plants available in Mexico that are produced in the country. The most famous ones 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.

Imports and exports

Although there is a diversity of live plants in Mexico, imports of live plants considerably exceed export values (Figure 5-63). In 2020 Mexico imported a value of around EUR 60.8 million, whereas it exported EUR 12.6 million. Imports, as well as exports, have been increasing between 2016 and 2019, however, both declined in 2020.

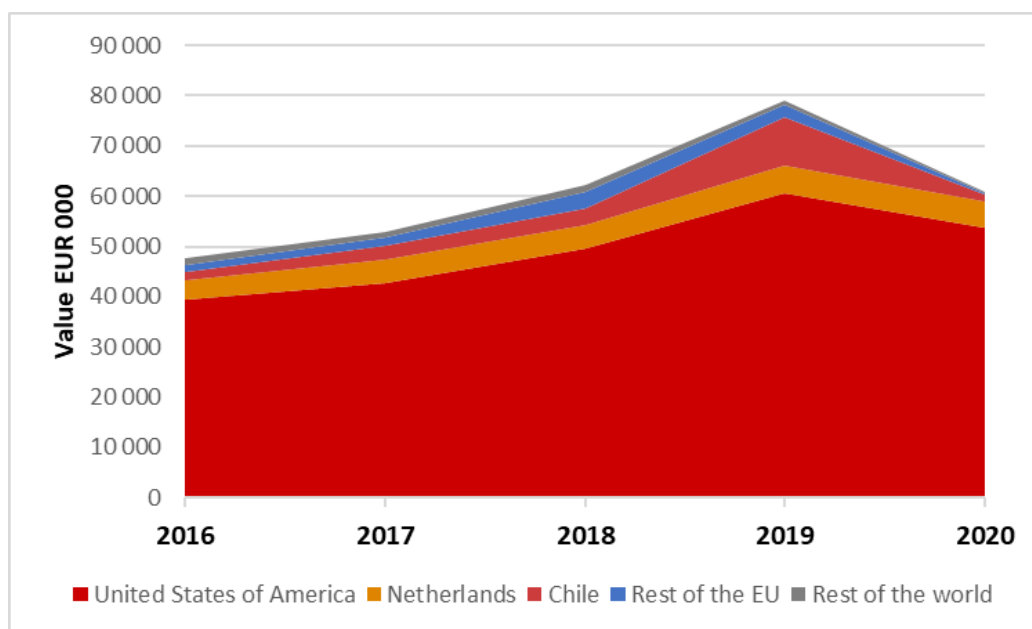
Figure 5-63: Trade balance (imports and exports) of live plants in Mexico, 2016-20 (EUR 000)



Data for CN code 0602

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

As presented in Figure 5-64, the United States is almost the sole exporter of live plants to Mexico. The country exported a value of EUR 53.67 million in 2020, which accounts for 89% of all imports. The Netherlands ranked second with close to EUR 5.39 million, followed by Chile with EUR 1.23 million. Besides the Netherlands, France, Germany and Belgium are also part of the top ten exporters. In total, the EU accounts for over 9% of live plant exports to Mexico.

Figure 5-64: Mexican imports of live plants by country, 2016-20 (EUR 000)

Data for CN code 0602

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

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.

Main competitors

As outlined in previous sections, the market is characterized by the presence of domestic producers, specialized in Mexican known plants as well as foreign importers, mainly from the USA. Nonetheless, the EU accounts for more than 9% of the value of all imported live plants.

5.14.4 Specific market entry requirements

Market Access and Entry

Imported live plants 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, live plants are subject to phytosanitary certification and requirements.

Customs procedures

A list of standard documents, as well as an 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 requires a 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*)

In case of re-exportation on the basis of the 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 4.2.2, the labelling of imported products is set out by Norma Oficial Mexicana 051 legislation.

5.14.5 Distribution

The vast majority of consumers in Mexico purchase horticulture in store-based retailers, especially in-home improvement and gardening stores, where almost 90% of products were purchased in 2019 in terms of retail value (Figure 5-65). Hypermarkets, on the other hand, constituted only 4% in terms of retail value. The popularity of e-commerce is growing with the channel accounting for 1.6% of retail value in 2019.

Figure 5-65: Distribution channel overview of horticulture in Mexico (2019); retail value



Source: Euromonitor International: Home and Garden, 2021

5.14.6 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 the market is import-dependent, Mexico developed well-established business relations with importers from the US.

Market Takeaway: Live plants

Consumption: The market for horticulture in Mexico had a market size of around EUR 109.1 million in 2019 and is forecast to grow at a faster pace than during the last years.

Competition: Market dominated by domestic producers and imported products from the US.

Distribution: Horticultural products are mainly distributed through store-based retailing, i.e. almost exclusively through home improvement and gardening stores.

Challenges: Domestic production dominates the market and there is a preference for artisanal products. Labelling and SPS requirements generally complicate exports.

Opportunities: Bread and pastries as well as increased demand for natural and healthier products due to high obesity rates and other health concerns related to the COVID-19 pandemic.

6 Communication

6.1 Communication strategy

This section sets out the main communication channels (new and traditional media, as well as fairs) available, as well as key regulations for the advertisement of food and beverages.

6.1.1 Online & Digital Media

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. 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, 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.

Social media platforms

Social media marketing is growing in importance in the Mexican food and beverage (F&B) sector, given that:

- Approximately 83 million 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% of consumers are influenced by celebrity endorsements when purchasing.

Facebook

Facebook is the most popular social media platform in Mexico with more than 102 million users in December 2021. This means close to 75% of the population is using the platform. Slightly more women than men (about 52%) use Facebook. This social network is broadly used by people of all age groups, particularly those aged between 25 to 34⁸⁶.

WhatsApp

WhatsApp is the second most popular social network in Mexico with around 62 million users⁸⁷. It is used by consumers across all age groups. Half of the users spend between one and three hours on WhatsApp each day. Close to one-fifth of users even spend six hours or more on the App⁸⁸.

Instagram

Instagram is the third most popular social media platform in Mexico with its approximately 35 million users in December 2021. This means close to 26% of the population uses Instagram. Around 54% of users are women, while 46% are men. Consumers aged between 18 and 24 years are the biggest user group⁸⁹.

Notable Instagram food influencers in Mexico⁹⁰

Oscar Meza - @oscarmeza

Yovana Mendoza Ayres - @yovana

Bien Tasty - @bientasty

Kiwilimón - @kiwilimon

Benito Molina - @benito_molina

NUTRICION & FITNESS - @marcefitness

Cocina Fácil - @cocinafacil

Paulina Abascal - @paulinabascal

Chef Oropeza - @chef_oropeza

Alma Blanco - @almablancog

⁸⁶ Facebook users in Mexico December 2021, available at <https://napoleoncat.com/stats/facebook-users-in-mexico/2021/12/>

⁸⁷ Daily Forecast, available at <https://www.emarketer.com/content/daily-forecast-over-95-of-mobile-messaging-users-in-mexico-use-whatsapp/>

⁸⁸ This is how Mexicans spend their day on WhatsApp, <https://themazatlanpost.com/2019/02/20/this-is-how-mexicans-spend-their-day-on-whatsapp/>

⁸⁹ Instagram users in Mexico December 2021, available at <https://napoleoncat.com/stats/instagram-users-in-mexico/2021/12/>

⁹⁰ Top Food & Cooking Influencers in Mexico in 2022, available at: <https://influencermarketinghub.com/top-food-cooking-influencers-mexico/>

YouTube

YouTube is the fourth most popular social media platform and the most popular video-sharing platform in Mexico with more than 30 million users. In particular, teens prefer to watch videos on the platform even though they contain advertisements. Overall, Mexicans watch three times more videos on YouTube than Mexican TV⁹¹.

Notable YouTube food orientated channels in Mexico⁹²

Rockin Robin's Cooks -

<https://www.youtube.com/channel/UCE4AGp67q0vELVfGDt2eoRQ>

Pisuares - <https://www.youtube.com/channel/UCxliCdzP5mYBflpjie8plQ>

Rick Bayless - <https://www.youtube.com/channel/UC7GcvD-x1qnb8zfsXR5Chxg>

True Mexico - <https://www.youtube.com/channel/UCocVSiUvI8FS-0HTweU4NTQ>

Pati Jinich - <https://www.youtube.com/channel/UCdtXmukQ1Vp86Ldl7rOrPAw>

5 Mexican Guys - <https://www.youtube.com/channel/UCj3fGtaLlKETf3Vu36L7lJw>

Mexican Made Meatless -

<https://www.youtube.com/channel/UCCekr2zwH4sksePeLoqG3mg>

Keto Mexican Recipes - <https://www.youtube.com/channel/UCQQ2SFR-cqIDCd8wNI9YEGQ>

Cooking With Vianey -

<https://www.youtube.com/channel/UCfVAJYA7yGX7A5O7I7CxMqA>

Other platforms

Other popular social media platforms include but are not limited to Twitter, LinkedIn, Pinterest, TikTok and Snapchat.

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. The 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 how best to gain their attention is crucial.
- **Paid advertising**: Facebook, Twitter, and Instagram allow starting 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 based on several criteria e.g. location, gender, interests etc.

⁹¹ Mexicans watch three times more videos on YouTube than on TV, available at: <https://labsnews.com/en/news/technology/mexicans-watch-three-times-more-videos-on-youtube-than-on-tv/>

⁹² 9 Best Mexican Food YouTube Channels To Follow In 2022, available at <https://pathofex.com/best-mexican-food-youtube-channels/>

- **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).

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 foodblogs. 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.

Notable Mexican Food Blogs⁹³

Isabel Eats – www.isabeleats.com
 Muy Bueno Cookbook – www.muybuenocookbook.com
 Mexican Please – www.mexicanplease.com
 Good Food in Mexico City – www.goodfoodmexico.com/home
 Dora's Table – www.dorastable.com
 Mexican Food Journal – www.mexicanfoodjournal.com
 Mexican Appetizers and More – www.mexicanappetizersandmore.com
 Mexico in my Kitchen – www.mexicoinmykitchen.com
 Muy Delish – www.muydelish.com
 Maricruz Avalos – www.maricruzavalos.com

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 10.2hours 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 TelevisaSA, 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 the national level

⁹³Top 25 Mexican Food Blogs and Websites, available at https://blog.feedspot.com/mexican_food_blogs/

and others at the regional level. The most popular is 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, the radio may be a successful tool for advertising F&B items.

6.1.3 Fairs and exhibitions

In addition to the digital approach, some companies decide to advertise their products at various trade fairs, which presents 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 a 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 annexe 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>

6.2 Advertising regulations

Advertising in Mexico should be compliant to the regulations set out below:

- [Ley Federal de Radio y Televisión](#)
- [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, the advertisement should follow some rules, as set out 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, the 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.
- There are restrictions in place across a number of unhealthy products (such as soft drinks) in media.

7 Mexican Etiquette

7.1 Quick facts

There are a number of business etiquette norms in Mexico that differ from standard practises in the west, these include:

- Business meetings should be scheduled in advance and reconfirmed once you have arrived in Mexico.
- Mexican business culture is based on social interaction 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 period which 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 their counterparts. 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

Being aware of the cultural and business etiquette in Mexico might ensure better odds of success as well as avoid any confusion when meeting with Mexican trade partners. The sections below summarise the main positive and negative points that should be taken into consideration⁹⁴.

Dos	Don'ts
<ul style="list-style-type: none"> • Schedule meetings in advance and make sure to be on time; remain patient if your business partner is late. • Give a warm and firm handshake to your counterparts. • Translate your documents and marketing material in Spanish. • Offer small gifts when meeting with your Mexican counterpart or when being invited to someone's home. • Show respect, especially to the elder and more senior members. • Take your time during business meetings and try to establish personal trust. • Mexicans are welcoming people, which is why you should be open to the family and friends of your Mexican counterparts. • Mexican migrants living in the United States without documents should be referred to as 'undocumented migrants' instead of 'illegal'. • Mexicans will be happy when you understand and bring up the country's cultural achievements. • It is important to thank your counterparts or hosts for their hospitality. • Many Mexicans might also be interested in stories from your home country and life there 	<ul style="list-style-type: none"> • Do not forget to confirm meetings with your Mexican counterparts. • Do not address Mexican business partners by their first name, unless you are invited to do so. • Do not offer expensive gifts or give yellow, red and white flowers. • Do not be aggressive. • Do not press for quick final decisions. • Any types of stereotypes are not welcome. E.g., do not stereotype Mexicans as 'drug traffickers' or being part of violet cartels. • Do not talk too much about prevalent problems in Mexico. Mexicans are aware of their nation's issues and thus do not need to be reminded of them by foreigners. • Do not criticise a Mexican in public but rather privately and remain polite. • Do not refer to the United States as 'America' as Mexico is also a North American country. • Do not joke about Mexicans being lazy. They work longer hours than most OECD nations.

⁹⁴Mexican culture, available at: <https://culturalatlas.sbs.com.au/mexican-culture/mexican-culture-do-s-and-don-ts>

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 export to Mexico. These service providers include EU funded projects, services provided by the Member States and their embassies, other organizations and service providers, as well as buyers, importers, and distributors.

- Section 8.1 contains the project profiles for EU funded initiatives operating in Mexico.
- Section 8.2 contains the contact information for Member State 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 2022-23.
- Section 8.5 contains a database of professionals' contacts (buyers, importers, and distributors).

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.



Delegation of the European Union to Mexico

The **EU Delegation in Mexico** represents the common interests of the European Union in Mexico and works on enhancing and developing trade relations between the two markets. Except for consular tasks, the delegation in Mexico City functions as an embassy. It is a diplomatic mission to represent the European Union in Mexico.

Contacts

Paseo de la Reforma 1675 , Lomas De Chapultepec

☎ (+52) 55 55 40 33 45

✉ DELEGATION-MEXICO@eeas.europa.eu


🌐 <https://eeas.europa.eu/delegations/mexico>

The Latin America IPR SME Helpdesk

The **Latin America IPR SME Helpdesk** facilitates the expansion of the European small and medium-size 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

c/del Puente 222, Ejidos de Huipulco, Tlalpan, 14380, Ciudad de México, Distrito Federal

 (+52) 55 5483 2252

 mexico@latinamerica@ipr-helpdesk.eu

 <https://www.latinamerica-ipr-helpdesk.eu/>

ELAN Network

The **European and Latin American Technology based Business Network** 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.

Contacts

 mexico@elannetwork.org

 <https://www.elannetwork.org/>

8.2 Directory of EU Member State Embassies/Consulates

EU MS	Address	Contact information
Austria (Embassy)	Sierra Tarahumara Pte. 420 Colonia Lomas de Chapultepec Delegación Miguel Hidalgo C.P. 11000, Mexico	☎ (+52) 55 5251 0806 ✉ mexiko-ob(at)bmeia.gv.at 🌐 https://www.bmeia.gv.at/
Belgium (Embassy)	Avenida Alfredo de Musset, 41 Colonia Polanco Del. Miguel Hidalgo 11550 Mexico Mexico	☎ + (52) (55) 52.80.07.58 ✉ Mexico@diplobel.fed.be 🌐 http://diplomatie.belgium.be/mexico/
Bulgaria (Embassy)	Paseo de la Reforma 1990 Col. Lomas de Chapultepec Del. Miguel Hidalgo c.p.11000, México D.F.	☎ +52 55 5596 3283 ✉ Embassy.Mexico@mfa.bg 🌐 www.mfa.bg/embassies/mexico
Croatia (Embassy)	Salomé Piña número 53 Colonia San José Insurgentes Delegación Benito Juárez C.P. 03900 México D.F.	☎ (+52) 55 5660 4897 ✉ delcamposteta@yahoo.com
Czech Republic (Embassy)	Cuvier 22, Col. Nueva Anzures, Del. Miguel Hidalgo, 11590 Ciudad de México	☎ +52 555 531 25 44 ✉ mexiko@embassy.mzv.cz 🌐 www.mzv.cz/mexico
Denmark (Embassy)	Tres Picos 43 Col. Polanco 11580 Ciudad de México	☎ +52 (55) 8854 8411 ✉ mexamb@um.dk 🌐 https://mexico.um.dk/en
Estonia (Honorary Consulate)	Alerces 81, Bosques de las Lomas México City DF 11700 Mexico	☎ (+52) 55 5280 8080 ✉ lebrun.claude@lfm.edu.mx
Finland (Embassy)	Embassy of Finland Monte Pelvoux 111, 4. piso Colonia Lomas de Chapultepec Delegación Miguel Hidalgo 11000 Ciudad de México MEXICO	☎ +52 55 5540 6036 ✉ sanomat.MEX@formin.fi 🌐 https://finlandabroad.fi/
France (Embassy)	339 Campos Eliseos, Col. Polanco 11560 Mexico D.F.	☎ +52 55 91 71 97 00 ✉ Contact through website 🌐 https://mx.ambafrance.org/
Germany (Embassy)	Horacio No. 1506, Col. Los Morales Sección Alameda Delegación Miguel Hidalgo 11530 México D.F.	☎ (+52) (55) 52 83 22 00 ✉ info@mexiko-stadt.diplo.de 🌐 https://mexiko.diplo.de/
Greece (Embassy)	Monte Ararat 615 Col. Lomas de Chapultepe Del. Miguel Hidalgo 11010 Mexico	☎ (+52) 55 5520 2070 ✉ grem.mex@mfa.gr

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EU MS	Address	Contact information
		www.mfa.gr/missionsabroad/es/mexico.html
Hungary (Embassy)	Paseo de las Palmas 2005 Lomas de Chapultepec Del. Miguel Hidalgo 11000 México, D. F.	☎ (+52) 55 5596-1822 ✉ mission.mex@mfa.gov.hu https://mexikovaros.mfa.gov.hu/ https://jakarta.mfa.gov.hu/eng
Ireland (Embassy)	Cda. Blvd. Avila Camacho, 76-3 Col. Lomas de Chapultepec 11000 México D.F.	☎ +52 55 5520 5803 ✉ mexicoembassy@dfa.ie https://www.dfa.ie/irish-embassy/mexico/
Italy (Embassy)	Paseo de las Palmas, 1994 Lomas de Chapultepec 11000 Mexico, D.F.	☎ (+52) 55 5596 3655 ✉ segreteria.messico@esteri.it https://ambcittadelmessico.esteri.it/ambasciata_cittadelmessico/it
Latvia (Honorary Consulate)	Paseo del Rio 120 Colonia Chimalistac Del. Alvaro Obregon 01070 Mexico	☎ (+52) 555 662 76 98 ✉ beatriceaboltinstrueblood@gmail.com
Lithuania (Honorary Consulate)	Avenida Veracruz 62-301 Colonia Roma Norte 06700, Mexico D.F.	☎ (+52) 55 5596 2945 ✉ consul@consuladolituaniamex.org
Luxembourg (Honorary Consulate)	88 Privada de Madero Lomas Altas, Deleg. Miguel Hidalgo 11950 Mexico City	☎ (+52) 55 57 00 417 ✉ mexicocity@consul-hon.lu
Malta (Honorary Consulate)	Retorno Del Anahuac, No 12 Lomas De Las Palmas Huixquilucan CP 52788, Mexico D.F.	☎ (+52) 55 5291 2279 ✉ maltaconsul.mexicocity@gov.mt
The Netherlands (Embassy)	Volcán 150, 2nd floor, Qúbica Building Col. Lomas de Chapultepec, C.P. 11000, Mexico City	☎ (+52) 55 1105 6550 ✉ mex@minbuza.nl https://www.netherlandsworldwide.nl
Poland (Embassy)	Cracovia 40 San Ángel 01000 México, D. F.	☎ (+52) 55 5481 2050 ✉ embajadadepoloniaenmexico@msz.gov.pl www.gov.pl/web/meksyk
Portugal (Embassy)	Calle Alpes 1370 Lomas de Chapultepec Miguel Hidalgo 11000 México, D. F.	☎ (+52) 55 55 207 897 ✉ mexico@mne.pt https://embpomex.wordpress.com/
Romania (Embassy)	Calle Sofocles no. 311 Colonia Polanco Delegacion Miguel Hidalgo 11560 Mexico D.F.	☎ (+52) 55 5280 0197 ✉ mexico@mae.ro http://mexico.mae.ro/

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EU MS	Address	Contact information
Slovakia (Embassy)	Julio Verne 35, Colonia Polanco Delegación Miguel Hidalgo 11560 México, D. F.	☎ (+52) 55 5280 6669 ✉ emb.mexico@mzv.sk 🌐 www.mzv.sk/web/mexico
Spain (Embassy)	Galileo, 114 (esq. Horacio) Colonia Polanco, Delegación Miguel Hidalgo 11550 México, D.F.	☎ (+52) 55 52 82 29 82 ✉ emb.mexico@maec.es 🌐 www.exteriores.gob.es/Embajadas/Mexico
Sweden (Embassy)	Paseo de las Palmas 1225 Col. Lomas de Chapultepec 11 000 México, D.F.	☎ (+52) 55 91 78 50 10 ✉ ambassaden.mexico@gov.se 🌐 www.swedenabroad.se/mexico

8.3 Other organisations and service providers

8.3.1 Trade promotion organisations (TPOs) and agri-food promotion organisations (APOs)

EU MS	Address	Contact information
Belgium (Brussels) (TPO)		🌐 https://hub.brussels/en/
Bulgaria Bulgarian Small and Medium Enterprises Promotion Agency (TPO)	2—4 Lege Str., 1000 Sofia, Bulgaria	☎ +359 (2) 940-7940 ✉ office@sme.government.bg 🌐 https://www.sme.government.bg/en/
Cyprus Trade Service of the Ministry of Energy, Commerce and Industry (TPO)	6 Andrea Araouzou Street, Nicosia	☎ 35722867155 ✉ ts@meci.gov.cy 🌐 http://www.meci.gov.cy/
Estonia Enterprise Estonia (TPO)	<i>Lasnamäe 2, 11413 Tallinn</i>	☎ (+372)6279421 ✉ info@eas.ee 🌐 https://www.eas.ee/
France SOPEXA (APO)	France	☎ (+33) 01 55 37 50 00 ✉ mybusiness@sopexa.com
Germany Federation of German Food and Drink (APO)	Bundesvereinigung der Deutschen Ernährungsindustrie e.V. Claire-Waldoff-Straße 7 10117 Berlin	☎ +49 (0) 30 200786-0 ✉ bve@bve-online.de 🌐 https://www.bve-online.de/english
Greece Enterprise Greece / Office of Economic and Commercial Affairs (TPO)	109 Vasilissis Sophias Avenue, 115 21 Athens, Greece	☎ +30 210 335 5700 ✉ info@eg.gov.gr 🌐 https://www.enterprisegreece.gov.gr/en/
Hungary Hungarian Export Promotion Agency (TPO)	1027 Budapest, Kacsá utca 15-23.	☎ (+36) 1 922 2600 ✉ info@hepa.hu 🌐 https://hepa.hu/en
Ireland Enterprise Ireland (TPO)	Mexico is serviced from Enterprise Ireland 515 Congress Ave #1750 Austin, TX 78701 USA	✉ sara.hill@enterpriseireland.com 🌐 https://www.enterpriseireland.com/en/Export-Assistance/International-Office-Network-Services-and-Contacts/Mexico.html
Ireland BoardBia (APO)	North America Office 345 Park Ave. Ireland House, 17th Floor, New York, NY 10154-0037 United States of America	☎ + 1 212 935 4505 🌐 https://www.bordbia.ie/

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EU MS	Address	Contact information
Italy Italian Trade Agency – Mexico Office (TPO)		 +52 55 5280 8425  messico@ice.it  https://www.ice.it/en/markets/mexico
Lithuania Enterprise Lithuania (TPO)	Juozo Balčikonio st. 3, LT-08247, Vilnius, Lithuania	 +370-5-2499-083  info@enterpriselithuania.com  https://www.enterpriselithuania.com/en/
Malta Trade Malta (TPO)	TradeMalta Limited, The Clock Tower, Level 1, Tigné Point, Sliema, TP 01, Malta	 (+356) 2247 2400  info@trademalta.org  https://www.trademalta.org/
Netherlands Netherlands Enterprise Agency (TPO)	Pr. Beatrixlaan 2, 2595 AL Den Haag, Netherlands	 +31 70 379 80 00  wieger.dejong@rvo.nl  https://english.rvo.nl/
Portugal Portuguese Trade & Investment Agency – AICEP (TPO)		 https://www.portugal.gov.pt/pt/
Slovenia Spirit Slovenia (TPO)	Verovškova street 60, 1000 Ljubljana	 (+386) 1 589 18 70  info@spiritslovenia.si  https://www.spiritslovenia.si/
Spain FIAB (APO)	Velázquez, 64 – 3rd Floor 28001 Madrid	 34 91 411 72 11  fiab@fiab.es  mailto:internacionalizacion@fiab.es  https://fiab.es/
Spain Catalonian Trade & Investment – Mexico Office (TPO)	Av. Insurgentes Sur nº 600 - 301 Col. del Valle. 03100, Mexico City, Mexico	 + 52 55 1107 1904  mexico@catalonia.com  http://catalonia.com/offices/mexico.jsp

8.3.2 Other service providers

Service provider	Address	Contact information
SERVICES FOR AUSTRIAN COMPANIES		
Austrian Trade Center in Mexico	Avenida Presidente Masaryk 101-901 Col. Polanco V Sección Delegación Miguel Hidalgo 11560 México, Distrito Federal	☎ +52 55 5254 4418 ✉ mexico@advantageaustria.org 🌐 https://www.advantageaustria.org/
SERVICES FOR BELGIAN COMPANIES		
Wallonia Export and Invest	Ambassade de Belgique 41, avenida Alfredo Musset(Polanco) 11550 Mexico D.F.	☎ +52 55 52 80 40 66 ✉ mexico@awex-wallonia.com 🌐 https://www.awex-export.be/fr/marches-et-secteurs/mexique
Flanders Investment and Trade	Flanders Investment & Trade p/a Embajada de Bélgica Avenida Alfredo Musset 41 Col. Polanco C.P. 11550 MEXICO CITY	☎ +52 55 52 81 59 22 ✉ mexico@fitagency.com 🌐 https://www.flandersinvestmentandtrade.com/en/contact/foreign-offices/mexico
SERVICES FOR BULGARIAN COMPANIES		
North American Bulgarian chamber of commerce	6460 Leona St. Oakland, CA 94605	☎ 415-251-2322 ✉ usa@nabcc.org 🌐 https://nabcc.org/
SERVICES FOR CROATIAN COMPANIES		
Croatian Chamber of Economy (CCE)	Rooseveltov trg 2, 10000 Zagreb	☎ +385 1 456-1555 ✉ hgk@hgk.hr 🌐 https://www.hgk.hr/
SERVICES FOR CZECH COMPANIES		
Czech-Mexican Chamber of Commerce	Koněvova 2755/65a Prague 3, 130 00, Czech Republic	☎ +420 608 644 121 ✉ info@mexicanchamber.cz 🌐 http://mexicanchamber.cz/
SERVICES FOR CYPRIOT COMPANIES		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. &3 Deligiorgis Str. PO Box 21455, 1509 Nicosia	☎ (+357) 22889800 ✉ chamber@ccci.org.cy 🌐 https://ccci.org.cy/
SERVICES FOR DANISH COMPANIES		
Nordic Chamber of Commerce in Mexico	Av. Tamaulipas 141, piso 3 Int. 3B, Col Condesa, Cuauhtémoc, 06170, Mexico City	☎ +52 (55) 4425 1876 ✉ contacto@camaranordicamexico.mx 🌐 http://camaranordicamexico.mx/
Danish Trade Council in Mexico	Tres Picos 43 Col. Polanco Ciudad de México C.P. 11580	☎ +52 (55) 8854 8411 ✉ mexamb@um.dk 🌐 https://mexico.um.dk/

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Service provider	Address	Contact information
SERVICES FOR ESTONIAN COMPANIES		
Estonian Chamber of Commerce in Mexico	Eesti Kaubandus-Tööstuskoda, Toom-Kooli 17, 10130 Tallinn	☎ +372 604 0060 ✉ koda@koda.ee 🌐 http://www.koda.ee/et
SERVICES FOR DUTCH COMPANIES		
NBSO Mexico	World Trade Center Querétaro, office 309 Juriquilla, Querétaro, 76230 Mexico	☎ (+52) 1 442 3567 160 ✉ info@nbsomexico.com 🌐 https://www.netherlandsworldwide.nl/countries/mexico/
Holland House Mexico	Paseo de la Reforma 180, floor 20 06600 Mexico City	☎ +52 55 5025 8685 ✉ events@hollandhousemexico.com 🌐 https://www.hollandhousemexico.com/
SERVICES FOR FRENCH COMPANIES		
Franco-Mexican Chamber of Commerce & Industry	Protasio Tagle N°104, Colonia San Miguel Chapultepec 11850, Ciudad de México	☎ +52 55 5272 0960 ✉ acamfrancomex@cfmci.com 🌐 https://www.franciamexico.com/
Business France Mexico	La Fontaine 32 Col. Polanco, CP 11560, Mexico city, Mexico	☎ + 52 55 9171 9889 ✉ mexico@businessfrance.fr 🌐 https://www.businessfrance.fr/
France Mexico Consulting	17 Rue, Alfred Roll, 75017 Paris.	☎ +33 (0)6 64 95 97 32 ✉ hector.castro@francemexicoconsulting.com 🌐 https://www.francemexicoconsulting.com/
SERVICES FOR FINNISH COMPANIES		
Nordic Chamber of Commerce in Mexico	Av. Tamaulipas 141, piso 3 Int. 3B, Col Condesa, Cuauhtémoc, 06170, Mexico City	☎ +52 (55) 4425 1876 ✉ contacto@camaranordicamexico.mx 🌐 http://camaranordicamexico.mx/
Business Finland Mexico Trade Center	Business Finland Porkkalankatu 1 Helsinki	☎ +52 55 5520 3397 🌐 https://www.businessfinland.fi/en/locations/americas/mexico
SERVICES FOR GERMAN COMPANIES		
Mexico-German Chamber of Commerce & Industry	Avenida Santa Fe, 170, Colonia Lomas de Santa Fe, 01210, Mexico City, Mexico	☎ +52 55 1500 5900 ✉ info@ahkmexico.com.mx 🌐 https://mexiko.ahk.de/
SERVICES FOR HUNGARIAN COMPANIES		
Hungarian-Mexican Chamber of Commerce	Rio Amazonas 22, Col. Cuauhtemoc, C.P.: 06500 Mexico City, Mexico	☎ +52 55 5029 3060 ✉ deli.andrea@tradehouse.hu 🌐 http://www.mexcham.hu/

Service provider	Address	Contact information
SERVICES FOR ITALIAN COMPANIES		
Italian Chamber of Commerce in Mexico	Calle Marsella 39, Juárez, Cuauhtémoc, 06600 Ciudad de México	☎ (+52) 55 1427 9215 ✉ info@camaraitaliana.com.mx 🌐 http://www.camaraitaliana.com.mx/
SERVICES FOR IRISH COMPANIES		
Irish Mexican Chamber of Commerce	Insurgentes Sur 1787 Piso 4 Colonia Guadalupe Inn, Alcaldía Álvaro Obregón, CDMX, C.P. 01020	✉ cvia@irishmexicanchamber.com 🌐 https://irishmexicanchamber.com/
SERVICES FOR LATVIAN COMPANIES		
Latvian Chamber of Commerce & Industry	Kr. Valdemāra iela 35, Rīga, LV-1010, Latvija	☎ + 371 67225595 ✉ info@litrk.lv 🌐 https://www.litrk.lv/
SERVICES FOR LITHUANIAN COMPANIES		
Association of Lithuanian Chambers of Commerce, Industry and Crafts	Vašingtono a. 1-63A, LT-01108 Vilnius	☎ +370 5 261 21 02 ✉ info@chambers.lt 🌐 https://www.chambers.lt/
SERVICES FOR LUXEMBURG COMPANIES		
Wallonia Expert & Investment (responsible also for Luxembourg)	Ambassade de Belgique 41, avenida Alfredo Musset(Polanco) 11550 Mexico D.F.	☎ +52 55 52 80 40 66 ✉ mexico@awex-wallonia.com 🌐 https://www.awex-export.be/fr/marches-et-secteurs/mexique
SERVICES FOR MALTESE COMPANIES		
Malta Chamber of Commerce, Enterprise and Industry	64, Republic Street, Valletta, Malta	☎ +356 2203 2304 ✉ info@maltachamber.org.mt 🌐 https://www.maltachamber.org.mt/
SERVICES FOR POLISH COMPANIES		
Polish Investment and Trade Agency - Mexico office	Torre Mayor, 32nd floor Av. Paseo de la Reforma #505 Col. Cuauhtémoc 06500 Ciudad de México	☎ +52 55 5211 7470 ✉ patrycja.staszewska@paih.gov.pl 🌐 www.paih.gov.pl/foreign_trade_office_mexico_city
SERVICES FOR PORTUGUESE COMPANIES		
Portuguese – Mexican Chamber of Commerce and Industry	Praça das Indústrias - Piso 2, Sala 21 1300-307 Lisboa, Portugal	☎ (+351) 217 959 161 ✉ info@camaralusomexicana.org 🌐 https://camaralusomexicana.org/
SERVICES FOR ROMANIAN COMPANIES		
Chamber of Commerce and Industry of Romania	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	☎ +40 21 3117534 ✉ narcis.pirnaeu@ccir.ro 🌐 www.ccir.ro

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Service provider	Address	Contact information
SERVICES FOR SLOVAK COMPANIES		
Slovakia Slovak Chamber of Commerce & Industry	Grosslingova 4, 81603, Bratislava, Slovakia	☎ + 02 54131228 ✉ sopkurad@sopk.sk 🌐 https://www.sopk.sk/
SERVICES FOR SLOVENIAN COMPANIES		
Chamber of Commerce and Industry of Slovenia	Dimičeva ulica 13 1000 Ljubljana	☎ +386 1 58 98 000 ✉ info@gzs.si 🌐 https://eng.gzs.si/
SERVICES FOR SPANISH COMPANIES		
ICEX México	Avenida Presidente Masaryk, 473 - Colonia Los Morales Polanco / Delegación Miguel Hidalgo Ciudad de México 11530	☎ +52 55 9138 6040 ✉ mexico@comercio.mineco.es 🌐 https://www.icex.es/icex/es/
Spanish Chamber of Commerce in Mexico	Mexico City Office: Homero 1430. Col Polanco, Del. Miguel Hidalgo 11510, Mexico City, Mexico	☎ +52 55 5395 4803 ✉ cam.espanola@comescom.com.mx 🌐 https://www.camescom.com.mx/
ICEX / Economic and commercial office of Spain	P de la Castellana 14—16, Madrid, 28046, Spain	☎ (+34) 913 497 100 🌐 https://www.icex.es/icex/es/
SERVICES FOR SWEDISH COMPANIES		
Nordic Chamber of Commerce in Mexico	Av. Tamaulipas 141, piso 3 Int. 3B, Col Condesa, Cuauhtémoc, 06170, Mexico City	☎ +52 (55) 4425 1876 ✉ contacto@camaranordicamexico.mx 🌐 http://camaranordicamexico.mx/
Business Sweden – Mexico Office	Miguel de Cervantes Saavedra 193-802, Col. Granada, Del. Miguel Hidalgo, C.P. 11520 México, D.F., Mexico	☎ +52 (1) 55 3677 4251 ✉ mexico@business-sweden.se 🌐 https://www.business-sweden.com/markets/americas/mexico/

8.4 Calendar of trade events and exhibitions 2022

Note: the ongoing issues with coronavirus at the time of writing both resulted in various cancellations/delays without fixed rescheduling dates and may result in further changes to the calendar outlined below. In view of this:

- 1. Scheduled fairs which did not take place have been included with their original date, as it is generally not clear when they will be rescheduled for, and most events are anyhow recurring. It is recommended that the links provided be monitored for news on when the event or the next edition is being scheduled for.**
- 2. It is strongly recommended to monitor the links provided for any future events to check whether they are still going ahead, and if not whether a new date has been decided.**

Event	Date	Recurrence	Venue	Organiser Details
March 2022				
Feria Internacional Del Helado	10 th – 12 th	Annual	Expo Guadalajara	☎ +52 (33) 3044 5545 ✉ informes@exprojhr.mx 🌐 https://feriadelhelado.org/
Expo Restaurantes	16 th – 18 th	Annual	World Trade Center Mexico City	☎ +52 (55) 2919.5991 ✉ oscar.sanchez@tarsus.mx 🌐 https://exporestaurantes.mx/
May 2022				
Beviale Mexico	2 nd – 4 th	Annual	Centro Citibanamex, Naucalpan	✉ Contact via website 🌐 https://www.beviale-mexico.com/en
Cerveza Mexico	14 th - 17 th	Annual	Guadalajara	☎ +52 55 5604 4900 ✉ info@cervezamexico.com 🌐 https://www.cervexamexico.com/guadalajara/
Expo Antad & Alimentaria	17 th – 19 th	Annual	Guadalajara Exhibition Center	☎ +34 (0)93 4521800 ✉ info@alimentaria.com 🌐 www.alimentaria-mexico.com

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Event	Date	Recurrence	Venue	Organiser Details
PMA Fresh Connections Mexico	18 th – 19 th	Annual	Hard Rock Hotel Guadalajara	 (302) 781-5853  skirschke@freshproduce.com  https://www.freshproduce.com/events/the-mexico-conference/
August 2022				
Confitexpo	2 nd – 5 th	Annual	Guadalajara Exhibition Center	 +52 55 8644 1818  Contact via website  https://www.confitexpo.com/
September 2022				
Bellavita Mexico City	6 th – 10 th	Annual	Centro Citibanamex	 +44 (0) 20 3002 0506  info@quirismedia.com  https://www.bellavita.com/en/
Wine Room	8 th – 10 th	Annual	World Trade Center Mexico City	 +52 (55) 56 04 49 00  rolivares@tradex.com.mx  https://www.wineroom.mx/contacto/
Agave Fest	8 th – 10 th	Annual	World Trade Center Mexico City	 +52 (55) 56 04 49 00  gina@tradex.com.mx  https://www.agavefest.info/
Gourmet Show	8 th – 10 th	Annual	World Trade Center Mexico City, Mexico City	 +52 (55) 56 04 49 00  anacorral@tradex.com.mx  https://www.gourmetshow.mx/
FoodTech Summit & Expo Mexico City	28 th – 29 th	Annual	Centro Citibanamex	 +52 (0)55 56051777  capacitacionmx@enfasis.com  www.ftsexpo.com

8.5 Database of professionals' contacts

8.5.1 List of relevant buyers, importers, and distributors

Company name	Type	Area of interest	Contact information
Alazan	Import/Distribution	Cereals	☎ 55 5640 1600 ✉ INFO@ALAZAN.COM.MX 🌐 http://www.alazan.com.mx/
Alimentos Convenientes	Import/Distribution	F&B	☎ 01 (55) 85 90 57 80 ✉ info@alimentosconvenientes.com 🌐 http://www.alimentosconvenientes.com.mx/
Alimentos Europeos	Import/Distribution	F&B	☎ (55) 5543 0957 ✉ ventasweb@alimentos europeos.com 🌐 http://www.alimentoseuropeos.com/
Amazon Mexico	Wholesale	F&B	🌐 https://www.amazon.com.mx/
Ampely	Distribution	Wine	✉ info@ampely.com 🌐 https://ampely.com/
Apys	Import/Distribution	F&B	☎ (55) 5353.9795 ✉ Contact via website 🌐 https://www.apys.com.mx/
Autenta Foods	Import/Distribution	F&B	☎ (55) 5082 9200 ✉ contacto@autentafoods.com 🌐 http://autentafoods.com/
BB Vino	Import	Wine	☎ +52 5520 7133 ✉ Contact via web 🌐 https://bbvino.com.mx/
Beer Bank	Import/Distribution	Beer	✉ hola@beerbank.mx 🌐 https://beerbank.mx/
Beerhouse	Import/Distribution	Beer	☎ +52 800 6633 566 ✉ rodo@beerhouse.mx 🌐 https://www.beerhouse.mx/
Be Hoppy	Wholesale	Beer & spirits	☎ +52 777 161 7101 ✉ cheers@behoppy.mx 🌐 https://behoppy.mx/
Be Imports	Import/Distribution	Beer (Belgian)	☎ (999) 565 2757

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Company name	Type	Area of interest	Contact information
			✉ Contact via website 🌐 https://www.beimports.com/
Bodegas Alianza	Import/Distribution	Wine, Spirits & Beer	☎ +52 5804 2100 ✉ ventas@bodegasalianza.com 🌐 www.bodegasalianza.com
Bodegas de Santo Tomas	Import/Distribution	Wine	☎ +52 (664) 320 9558 ✉ Events@grupopando.com 🌐 http://santo-tomas.com/
Bushmills	Import/Distribution	Whisky (Irish)	✉ cuervo@atencion.com 🌐 https://bushmills.com.mx/
Candy Mania	Wholesale	Chocolate & Confectionery	☎ +52 33 1804 0188 ✉ ventas@candymania.mx 🌐 https://candymania.mx/
Carbonell	Import/Distribution	Olive oil (Spain)	✉ Contact via website 🌐 https://carbonell.mx/es
Cavisa	Wholesale	Wine	🌐 www.cavisa.com.mx
Central Foods Mexico	Import/Distribution	F&B	☎ (55) 5564-4316 ✉ ventas@centralfoods.com.mx 🌐 http://www.centralfoods.com.mx/
Centro Abarrotero	Import/Distribution	Processed F&V	✉ Contact via website 🌐 http://centroabarroterodelbajio.com/
Cervezas Gourmet	Import/Distribution	Beer	☎ 55.5989.0272 ✉ cervezas@cervezasgourmet.com 🌐 https://cervezasgourmet.com
Cervexxa	Import/Distribution	Beer	☎ +52 777 161.7101 ✉ VENTAS@CERVEXXA.MX 🌐 https://www.cervezaartesanal mexicana.mx/
Ch-B	Distribution	Beer	☎ (55) 4587-3416 ✉ ch-b@outlook.com 🌐 https://www.ch-b.com.mx/
Chedraui	Retail	F&B	☎ 55-5563-2222 🌐 https://www.chedraui.com.mx/
Chef Mart	Import/Distribution	F&B	☎ 55 53 54 42 70

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Company name	Type	Area of interest	Contact information
			✉ contacto.chefmart@gmail.com 🌐 https://chefmart.com.mx/
Club del Gourmet	Import/Distribution	Wine	☎ 55 5554 83 36 ✉ pamtos@clubdelgourmet.com.mx 🌐 https://clubdelgourmet.com.mx/
Comercial hispana	Import/Distribution	F&B	🌐 https://comercialhispana.com.mx/
Comeuromax	Import/Distribution	Wine & Spirits	☎ (+52) 1 33 16 05 71 17 ✉ Contact via website 🌐 https://www.comeuromex.com/
Con Alimentos	Import/Distribution	F&B	☎ 01800-717 2720 ✉ contacto@con-alimentos.com.mx 🌐 http://www.con-alimentos.com.mx/
Consuvino	Distribution	Wine, spirits & beet	☎ +52 800 522 0002 🌐 https://www.consuvino.com.mx/
Costco	Wholesale	F&B	🌐 https://www.costco.com.mx/
DEIA	Distribution	F&B	☎ (55) 1555 8369 ✉ contacto@plmlatina.com 🌐 http://www.especialidadalimenteria.com/
De la Rosa	Import/Distribution	Chocolate & Confectionery	☎ 33 3694 0951 ✉ Contact via website 🌐 https://dulcesdelarosa.com.mx/
Delitalia	Import/Distribution	Pasta	☎ 55 3444 5662 ✉ info@delitalia.mx 🌐 https://delitalia.mx/
Dogale	Distribution	F&B	☎ +52 33 3647 2406 🌐 http://www.dogale.com.mx/
ECM de Vinos	Import/Distribution	Wine	☎ 55 71 55 7356 ✉ ventas@ecmdevinos.com 🌐 https://www.ecmdevinos.com/

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Company name	Type	Area of interest	Contact information
Escosa	Import/Distribution	F&B	☎ (+52) 5516-0701 ✉ Contact via website 🌐 https://www.escosa.mx/
Euro Cervezas	Import/Distribution	Beer	☎ +52 (55) 26520174 ✉ clientes@eurocervezas.mx 🌐 http://eurocervezas.mx/
Fattoria	Import/Distribution	F&B (Italian)	☎ +52 998 887 7101 ✉ ventas@frascchetti.com.mx 🌐 https://productos-italianos.com/
Florentini	Import/Distribution	Chocolate	☎ 55 5593 5222 ✉ contacto@fiorentini.com.mx 🌐 https://fiorentini.com.mx/
Grandes vinedos	Import/Distribution	Wine	☎ +5552643653 ✉ Contact via website 🌐 https://grandesvinedos.com/
Gregomex	Import/Distribution	Olive oil	☎ +52 (1) 984 207 9084 ✉ info@gregomex.com 🌐 https://gregomex.com/
Grupo CAL	Import/ Distribution	Fine foods & wine	☎ +52 (01) 55 40 44 02 ✉ info@grupocal.mx 🌐 http://www.grupocal.mx/
Grupe Modelo Mexico	Import/Distribution	Beer	☎ +52 91 38 9990 ✉ atencion.modelo@modelo.com.mx 🌐 https://www.grupomodelo.com/
Hanseatic	Import/Distribution	Fine foods	☎ 55 4473 2208 ✉ hola@hanseatik.com 🌐 https://www.hanseatic.com/
Hanan	Distribution	F&B	☎ +52-998-886-3110 🌐 http://www.grupohanan.com/
HB	Import/Distribution	Meat & Dairy	☎ 01 (81) 8335-3509 ✉ info@hbalimentos.com 🌐 https://www.hbalimentos.com/
Heb	Distribution	F&B	🌐 https://www.heb.com.mx/
Iducero	Import/Distribution	Wine & spirits	☎ (55) 5669 3273 ✉ contacto@iducero.com.mx 🌐 https://www.iducero.mx/

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Company name	Type	Area of interest	Contact information
Imex	Import/Distribution	Spirits	☎ +52 (55) 2652 0174 ✉ imex@imexinternacional.mx 🌐 http://www.imexinternacional.mx/
Importadora Vinos del Mundo	Import/Distribution	Wine	☎ +52 (33) 3616.7464 ✉ info@vinosdelmundo.com.mx 🌐 https://www.vinosdelmundo.com.mx/
Innova	Distribution	Food ingredients	☎ +52 (222) 329 90 00 ✉ innova@acnet.net 🌐 https://www.innova-alimentos.mx/
La Belga	Import/Distribution	Beer	☎ (55) 35.47.95.5881 ✉ rrrslabelga@gmail.com 🌐 https://labelga.com.mx/
La Castellana	Wholesale	Wine, spirits & beer	☎ (55) 5698 9890 ✉ INFO@LACASTELLANA.COM 🌐 https://lcastellana.com/#
La Europea	Wholesale	Wine, spirits & beer	☎ 55 4163 5387 ✉ Contact via website 🌐 https://www.laeuropea.com.mx/
La Italiana	Import/Distribution	F&B (Italian)	☎ +52 222 232 0200 ✉ Contact via website 🌐 https://www.laitaliana.com.mx/
La Madrileña	Import/Distribution	Wine & spirits	☎ + 52 33 3875 8800 🌐 http://www.madrilena.com.mx/
La Naval	Wholesale	F&B	☎ 55 5377-2355 ✉ marketing1@lanaval.com.mx 🌐 https://www.lanaval.com.mx/
La Playa	Wholesale	Wine, beer & spirits	☎ 3336301006 🌐 https://autoserviciolaplaya.com/
La Puerta del Sol	Import/Distribution	Wine	☎ +52 55323171 ✉ Contact via Website 🌐 http://lapuertadelsol.com.mx/
Las Delicias	Import/Distribution	Confectionery	☎ (521)(33)36122926

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Company name	Type	Area of interest	Contact information
			✉ info@lasdelicias.com.mx 🌐 http://www.lasdelicias.com.mx/
La Reforma de Tlatilco	Import/Distribution	Wine & spirits	☎ +52 55-5342-3307 ✉ lareformadetlatilcof@hotmail.com 🌐 https://lareformadetlatilcosadecv.miadn.mx/
La tienda Francesa	Import /Distribution	F&V (French)	☎ +52 55 21 55 20 19 ✉ info@latiendafrancesa.mx 🌐 https://latiendafrancesa.mx/
Marinter	Import/Distribution	Wine, spirits & fine foods	☎ +52 55 1946 0440 ✉ ventas@marinter.com.mx 🌐 https://marinter.com.mx/
Mercado de Vinos	Import/Distribution	Wine	✉ info@mercadodevinos.mx 🌐 https://mercadodevinos.mx/
Mercado Libre	Distribution	F&B	🌐 https://listado.mercadolibre.com.mx/
Mercantil	Import/Distribution	F&B	☎ (52) 55-5899-7100 ✉ Contact via website 🌐 https://www.mercantilmx.com/
Nibelungarten	Import/Distribution	F&B (German)	☎ (55) 5609 1309 ✉ fischeln@outlook.com 🌐 https://www.nibelungarten.com/
Oil & Vinegar	Import/ Distribution	Olive oil	☎ +52 2225 30 0096 ✉ sales@oilandvinegar.com.mx 🌐 https://oilandvinegar.com.mx/
Ofertia	Wholesale	F&B	🌐 https://www.ofertia.com.mx/
Palm Bay	Import/Distribution	Wine & Spirits	☎ + (521) 5552522805 🌐 https://www.palmbay.com/
Partimar	Import/Distribution	F&B (Italian)	☎ 55 2270 8710 ✉ ecommerce@partimar.com 🌐 https://partimar.com/
Petro Domecq	Import/ Distribution	Wine	✉ Contact via website 🌐 https://shop.petrodomecq.com/









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Company name	Type	Area of interest	Contact information
Polos Opuestos	Import/Distribution	Wine	☎ +52 818 355 5106 ✉ ricardo@polosopuestos.mx 🌐 http://www.polosopuestos.mx/
Premium Beers Group	Import/Distribution	Beer	☎ 55 5589 3419 ✉ Contact via website 🌐 http://premiumbeers.com.mx/
Premier	Import/Distribution	Processed F&V	☎ + 52 (33) 8000 8300 ✉ entasc7@gpopremier.com 🌐 https://gpopremier.com/en/
Prissa	Wholesale	Wine & spirits	☎ +52 22 2303 1900 ✉ prisa@mail.prissa.com 🌐 https://prissa.mx/
Ricaitalia	Import/Distribution	F&B (Italian)	✉ tiendaenlinea@ricaitalia.com 🌐 https://www.ricaitalia.com/
Sabor a italia MX	Import/Distribution	F&B (Italian)	✉ Contact via website 🌐 https://saboraitaliamx.com/
Sampieri	Import/Distribution	Wine, spirits & beer	✉ Contact via website 🌐 https://www.sampieri.com.mx/
Sam's Club	Wholesale	F&B	🌐 https://www.sams.com.mx/
Solo Vinos	Import	Wine (Spain)	✉ Contact via website 🌐 https://www.solovinos.mx/
Soriana	Wholesale	F&B	☎ 81 8329-9252 ✉ flopez@soriana.com 🌐 https://www.soriana.com/
Strategia	Import/Distribution	F&B	☎ +(52) 1 56 2169-5627 ✉ info@strategia-inter.com.mx 🌐 https://www.strategia-inter.com.mx/
Superbrands	Import/Distribution	F&B	☎ (52) (55) 5557-9284 ✉ info@superbrands.mx 🌐 https://www.superbrands.mx/
Tiempo Vinos de	Wholesale	Wine & spirits	✉ Contact via website 🌐 https://tiempodevinos.com.mx/
Tienda Vinisfera	Import/Distribution	Wine	☎ +52 331 377 5647 ✉ pedidos@vinisfera.com 🌐 http://www.vinisfera.com

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Company name	Type	Area of interest	Contact information
T&A Importadora	Import	F&V	☎ 01 (442) 223 70 96 ✉ contacto@taforwarding.com 🌐 https://taforwarding.com/
Ucero	Import/ Distribution	Wine, spirits & beer	☎ +52 (55) 5669 3273 ✉ contacto@iducero.com.mx 🌐 https://www.iducero.mx/
Uncork Mexico	Wholesale	Wine	☎ +52 322 271 5886 ✉ hola@uncorkmexico.com 🌐 https://www.uncorkmexico.com/
Valsasa	Import/Distribution	Wine, Spirits & olive oil	☎ (55) 5539 5183 ✉ Contact via website 🌐 http://www.valsasa.com.mx/
Viñas de Garza	Import/Distribution	Wine	☎ +52 (646) 175 8883 ✉ info@vinosdegarza.com 🌐 https://vinosdegarza.com/
Vinisterra	Import/Distribution	Wine	☎ +52 646 178 3310 ✉ contacto@vinisterra.com 🌐 http://www.vinisterra.com/
Vinos Alemanes Mexico	Import/ Distribution	Wine	☎ +52 (614) 530 4441 ✉ información@vinosalemanes.com.mx 🌐 https://vinosalemanes.com.mx/
Vinos Shimul	Import/Distribution	Wine	☎ +52 (646) 177 2108. ✉ Contact via website 🌐 http://www.shimul.net/
Vinos Wagner	Import/Distribution	Wine	☎ +52 800 838 4161 ✉ ventas@vinoswagner.com 🌐 https://vinoswagner.com/
Vinopolis	Import	Wine	☎ +52 984 801 0139 ✉ sales@vinopolis.mx 🌐 https://vinopolis.mx/
Vinoteca	Import/Distribution	Wine & spirits	✉ Rodolfo.cepeda@vinoteca.com 🌐 https://www.vinoteca.com/
Viparmex	Import/Distribution	Wine	☎ (33) 3811 8632 ✉ info@viparmex.com.mx 🌐 https://www.viparmex.com.mx/

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Company name	Type	Area of interest	Contact information
Vyacsa Foods	Import/Distribution	Milk, F&V	 +52 55 91978969  ventascorp@vyacsa.com  https://www.vyacsa.com/
Walmart	Retail	F&B	 +52 51 340034  https://super.walmart.com.mx/
Wine	Import/Distribution	Wine	 55 8438 1822  contacto@wine.com.mx  https://www.wine.com.mx/

9 EU products registered or set to be registered as GIs in Mexico

9.1 EU spirit drinks registered under 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

Trademark Name	Product Category
— Fine Champagne	Wine Spirit
— Borderies	Wine Spirit
— 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 (cont'd)
Aguardente do Douro	Wine Spirit (cont'd)
Aguardente da Beira Interior	Wine Spirit (cont'd)
Aguardente da Bairrada	Wine Spirit (cont'd)
Aguardente do Oeste	Wine Spirit (cont'd)
Aguardente do Ribatejo	Wine Spirit (cont'd)
Aguardente do Alentejo	Wine Spirit (cont'd)
Aguardente do Algarve	Wine Spirit (cont'd)
Brandy de Jerez	Brandy
Brandy del Penedés	Brandy

Trademark Name	Product Category
Brandy italiano	Brandy
Brandy ΑΤΤΙΚΗΣ/Attica Brandy	Brandy
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

Trademark Name	Product Category
Orujo gallego	Grape marc spirit
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
Sliwovitz del Friuli-Venezia Giulia	Fruit spirit

Trademark Name	Product Category
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
Bayerischer Gebirgsenzian	Gentian spirit
Südtiroler Enzian/Genzians dell'Alto Adige	Gentian spirit

Trademark Name	Product Category
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
Ginjinha portuguesa	Liqueur
Licor de Singeverga	Liqueur
Benediktbeurer Klosterlikör	Liqueur

Trademark Name	Product Category
Ettaler Klosterlikör	Liqueur
Ratafia de Champagne	Liqueur
Ratafia catalana	Liqueur
Anis português	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. Available at:

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

9.2 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
Steirisches Kürbiskernöl	Edible oil
Tiroler Almkäse; Tiroler Alpkäse	Dairy
Tiroler Bergkäse	Dairy

Trademark Name	Product Category
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	
Γλυκό Τριαντάφυλλο Αγρού (Glyko Triantafyllo Agrou)	Confectionery
Λουκούμι Γεροσκήπτου (Loukoumi Geroskipou)	Confectionery
Κουμανδάρια (Commandaria)	Wine
Λεμεσός (Lemesos)	Wine
Πάφος (Pafos)	Wine

Trademark Name	Product Category
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 Asklipiου)	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	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
Odoboești	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
Ternera 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

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%202.pdf

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