

# Joint Statement on the launch of the negotiations for a Free Trade Agreement between the UK and Mexico

News story

A Joint Statement on the launch of negotiations for a Free Trade Agreement between the UK and Mexico.



Tatiana Clouthier, Secretary of Economy of the United Mexican States, and Anne-Marie Trevelyan, Secretary of State for the Department for International Trade of the United Kingdom, met in London on 20 May 2022. Following the meeting, they issued the below joint statement:

We are pleased to announce the start of the negotiations for a Free Trade Agreement between the United Mexican States and the United Kingdom.

We reaffirm that Mexico and the United Kingdom will work together to take our trade and economic relationship to the next level. We share the goal of deepening our trade and investment for the benefit of a more prosperous future for both countries.

We are both committed to achieving an agreement which is better suited for the 21st Century. This is an opportunity to deliver an agreement which strengthens trade in goods and services, increases investment flows, and promotes digital and cross-border trade. We also want the new FTA to deliver on progressive issues such as trade and gender equality and innovation. Lastly, we recognise the importance of an agreement which supports businesses in both countries to access and make best use of existing and new global supply chains.

We have instructed our teams to hold the first official round of negotiations in Mexico City this July, and a second round in the autumn. This will allow us to make significant progress towards our ambition to conclude negotiations for a new Free Trade Agreement within two years, as agreed in the UK-Mexico Trade Continuity Agreement.

See [the UK's approach to negotiating a free trade agreement with Mexico](#).

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## UK kicks off talks on modern trade deal with Mexico

- Deal to boost trade relationship worth £4 billion, and open up one of the world's largest consumer markets – with a population projected to reach nearly 150 million by 2035
- Major boost for UK services industries, increasing trade in areas like financial services and digital driving economic growth and supporting UK jobs
- Modern, enhanced agreement aims to remove barriers and bureaucracy for small businesses, helping them grow through exports

The International Trade Secretary today (Friday 20 May) launches negotiations on a new UK-Mexico Free Trade Agreement (FTA) alongside her Mexican counterpart, Tatiana Clouthier, in London.

Negotiating a 'Mexico 2.0' deal would transform the UK's relationship with the world's 16th biggest economy and secure a brand new, enhanced FTA for a digital age, which supports hi-tech jobs, industries of the future and grows our economy.

Mexico is a major market for UK exporters. Its expanding population means demand for imports is set to grow by 35% by 2035. It is in a strategically situated part of the world, serving as a gateway to the Americas as well as to the dynamic trans-Pacific region.

UK negotiators will look to go further and deeper in areas like services and technology, boosting a trade relationship already worth over £4 billion. The agreement could increase trade flows across the financial, creative, digital and technology services sectors thanks to advanced services provisions, boosting the UK's already world-leading services industries.

It is the third major FTA negotiation launched by Trade Secretary Anne-Marie Trevelyan this year – following visits to kick off talks in India in January and Canada in March.

**Secretary of State for International Trade Anne-Marie Trevelyan said:**

This enhanced deal would transform our relationship with Mexico, making the most of the immense opportunities its dynamic business

landscape and young, growing population offer.

From autonomous vehicle manufacturers in the West Midlands, to Wales' green tech businesses and Scotland's thriving food and drink sector, companies of all shapes and sizes across the UK stand to benefit.

Trade deals like this are vital to growing the economy to address the cost of living, as they support jobs, help businesses thrive and spur investment. We've already kickstarted negotiations with India and Canada and are close to joining the CPTPP free trade area, with a combined GDP of £9 trillion, of which Mexico is a key member.

The UK is aiming for a dedicated chapter on small and medium-sized enterprises (SMEs) that would knock down sector-specific barriers, cutting costs and paperwork for SMEs looking to export.

Through this FTA, the UK will seek to make buying and selling goods and services online and product standards recognition processes smoother, helping British businesses expand more quickly and supporting jobs.

We will also aim to lock in tariff reductions of £57 million per year secured under existing agreements, ensuring tariff-free trade on 97% of UK goods.

We will look to help workers move between the two countries more easily and enhance opportunities for UK firms to bid for contracts in Mexico, supporting major UK industries such as infrastructure and business services.

Our ambition is for an FTA which is forward looking and fit for the future, which supports innovation and women's economic empowerment.

This new FTA will also complement the UK's CPTPP negotiations, accession to which could see 99.9% of UK exports being eligible for tariff-free trade with this bloc, which includes some of the world's largest existing and future economies including Mexico.

**Diageo Chief Executive Ivan Menezes said:**

We welcome the launch of the UK-Mexico trade talks. The continuation of tariff-free trade between the UK and Mexico will support both the growth of Scotch exports and the important Tequila category.

**CBI President Lord Bilimoria said:**

The Government did a remarkable job securing the continuity agreement with Mexico. There is now a phenomenal opportunity to strengthen our existing economic ties including in services,

digital, and investment.

International trade is the foundation for economic growth. With exporters among the UK's most profitable and innovative businesses, firms up and down the country should be seizing on the huge untapped potential globally. Finding new opportunities in emerging markets such as Mexico will be key to that success.

**Amanda Tickel, Head of Tax & Trade Policy for Deloitte UK, said:**

We welcome negotiations on upgrading the UK's trade relationship with Mexico, a fast-growing economy home to over 130 million consumers that is expected to be among the world's largest over the next two decades.

The existing trade agreement has provided a strong platform for bilateral UK-Mexico trade but needs modernising to reflect today's commercial environment. New and ambitious provisions on data, digital and services trade represent an exciting opportunity for British business and can help cement the UK's position as a leader in professional advisory and financial services around the world.

**Background:**

- Our current trade agreement with Mexico is based on the EU-Mexico Global Agreement, negotiated over 20 years ago. Our new deal with Mexico will be better tailored to the UK. It's an opportunity to gain market access for a range of services sectors, access to Mexican government procurement contracts and also provide a trail-blazing opportunity to set new benchmarks in areas like digital trade, innovation, and trade and gender equality.
- The launch will take place at Diageo – one of the world's largest drinks companies, founded and headquartered in London and a top exporter to Mexico. Mexico is the leading destination in Latin America for UK food and drink products and the top market for whisky.
- It is estimated that, if modern and ambitious services commitments are agreed, trade flows in the insurance sector alone could increase by around £80 million. Exports of financial services could also increase by around £20 million.

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**[Joint Expeditionary Force deploys to](#)**

# the Baltics

The Standing Joint Force Headquarters (SJFHQ) is usually based in Northwood, London and is now operating across a further two temporary locations in Lithuania and Latvia, with UK liaison officers in Denmark, Estonia, Finland and Sweden.

The deployment, which is at the invitation of the host nations, will see around 180 UK personnel working near Vilnius in Lithuania and in Riga, Latvia. It coordinates military activities from and between JEF nations in the Baltic Sea region at a time of heightened focus on regional security and cooperation. The deployment was agreed by all ten JEF nations at a meeting of JEF Defence Ministers at Belvoir Castle in Leicestershire in March.

## **Defence Secretary Ben Wallace said:**

This vital deployment demonstrates our defensive partnerships within the ten nation alliance of the Joint Expeditionary Force.

The JEF represents a shared commitment with like-minded countries for the security and stability of Europe at this pivotal time.

JEF nations have a common commitment to democracy, security and stability, with a geographical focus on the Baltic Sea region, the High North and the North Atlantic. The UK is the framework nation for the JEF, working alongside partners Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, the Netherlands, Norway and Sweden.

The partnership is designed to complement NATO, with the potential to deploy worldwide. The current deployment involves over 220 personnel, from the UK and other JEF nations, including specialists in cyber, space and information operations.

## **Commander of the Standing Joint Force Headquarters Major General Jim Morris said:**

The men and women from across our UK Armed Forces and our JEF partners are supported by experts from across government and academia and are well prepared for this deployment which comes at a critical time for European stability.

The security of the Baltic Sea region has never been more important and this deployment demonstrates our collective resolve to maintaining that security.

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