



MEXICO – 2023

Key findings

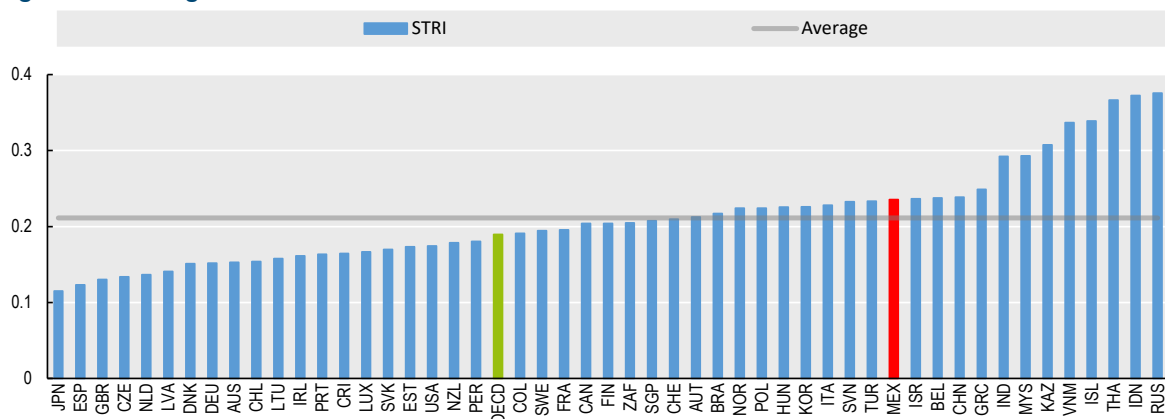
- The 2023 STRI of Mexico is above the OECD average and relatively high compared to all countries in the STRI sample. The index has increased slightly compared to 2022.
- In 2023, Mexico created the *Aerolínea del Estado Mexicano, S.A. de C.V.*, a new majority state owned company in the air transport service sector.
- Mexico's regulatory environment for services has been relatively stable over the recent years.
- Despite the overall favourable environment for services trade, restrictions remain in services sectors such as courier services, broadcasting, road freight transport or customs brokerage.

Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies

The 2023 STRI of Mexico is above the OECD average, and relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



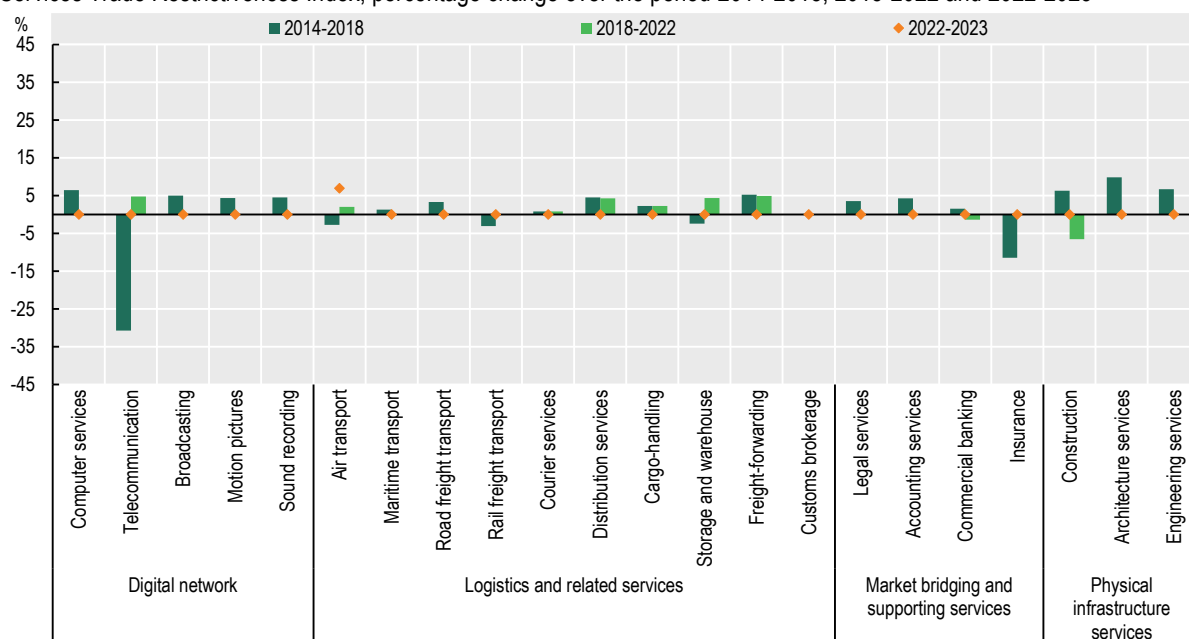
OECD (2023). STRI and TiVA databases.

Reasons for the current STRI include general regulations that apply across all STRI sectors, as well as sector-specific rules. Mexico has a relatively restrictive regime governing foreign entry, particularly in infrastructural sectors, such as logistic and transport services, and in broadcasting services. Foreign investment is subject to screening, and in most sectors, investments above given monetary thresholds are approved only if bringing net economic benefits to the country. Mexico maintains labour market tests for intra-corporate transferees and limits the duration of stay of contractual and independent services suppliers to six months. In public procurement, there is an explicit preference for bids with domestic content, and certain procurement contracts are open to international tender only on the basis of reciprocity. In addition, the Mexican Labour Law requires the employee base of any company to be comprised of at least 90% Mexican nationals, except for directors, administrators, and other managerial positions. Finally, there is a lack of a general obligation to publish laws and regulations before they enter into force or to open draft regulations for public comment.

Mexico's regulatory environment for services trade has been relatively stable in recent years (Figure 2). The change in the index for 2023 reflects the establishment of a new majority state owned company in the air transport services sector (*Aerolínea del Estado Mexicano, S.A. de C.V.*). Between 2018-22, Mexico aligned several standards with international standards, including the adoption of IFRS 9 for financial instruments in 2022 and the requirement since 2020 to base national construction standards on international standards. In 2019, Mexico reduced the value for goods benefitting from reduced import duties, explaining the increase in the index for distribution, courier, and logistics services. Lastly, in 2014-15, Mexico passed a package of reforms, including, inter alia, a new telecommunications law and a new financial law.

Figure 2. Evolution of STRI indices by sector in Mexico

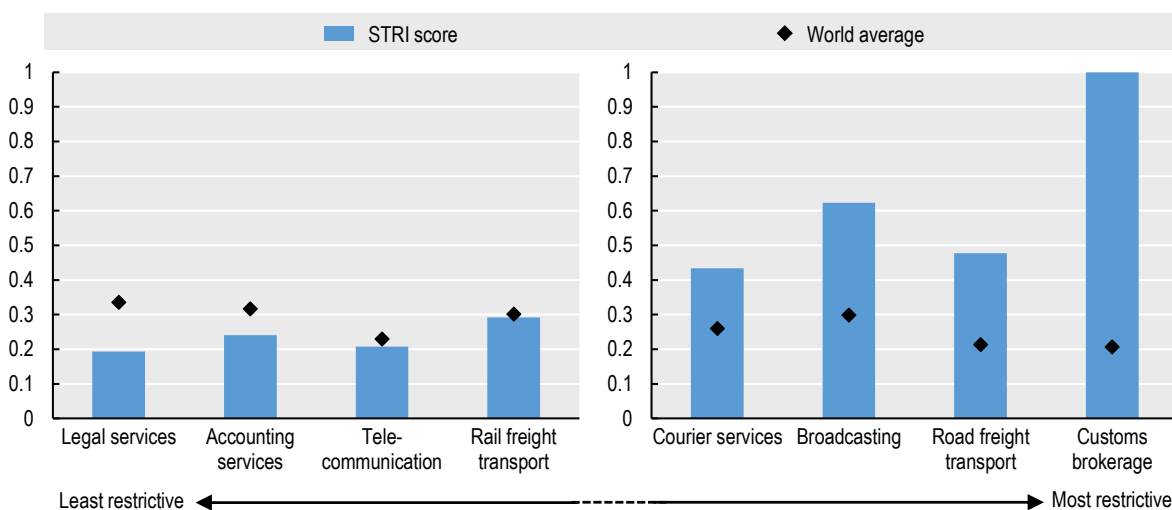
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

Figure 3 ranks Mexico's sectors relative to the respective sector's world average. Legal services, accounting services, telecommunications and rail freight transport are the sectors with the relatively lowest scores. Conversely, courier services, broadcasting, road freight transport and logistics customs brokerage are the sectors with the relatively highest scores.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Mexico compared to world average



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

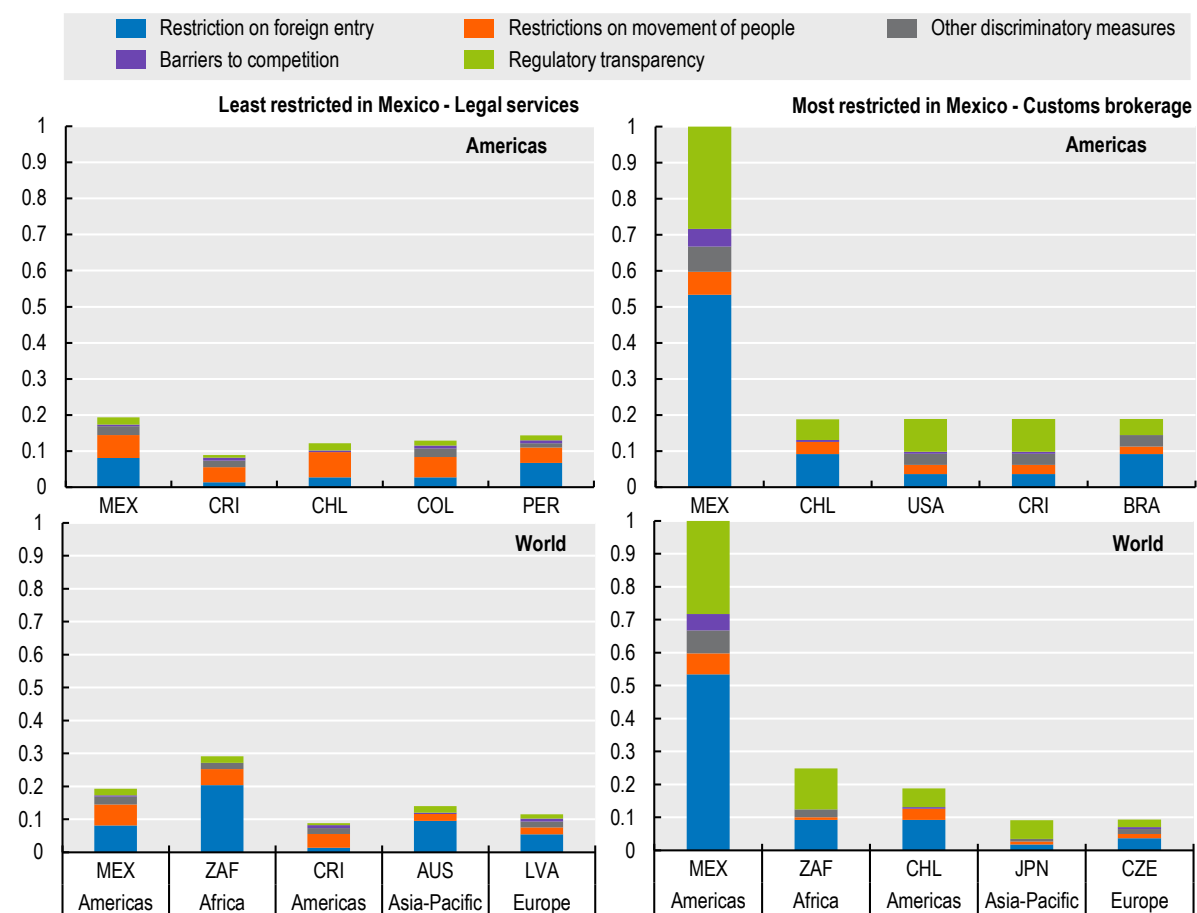
Source: OECD (2023). STRI database.

Legal services are the least restricted in Mexico compared to the average STRI across all countries. There are few sector specific barriers apart from a domicile requirement to obtain a license to practice and the absence of a temporary licensing regime for foreign practitioners.

On the other hand, logistics customs brokerage services is the most restricted services sector in Mexico compared to the average STRI across all countries. Foreign equity participation in customs brokerage

is prohibited in Mexico and there is a nationality requirement to get a licence to operate as customs broker; these two restrictions alone close the market to foreign services providers (Figure 4).

Figure 4. Mexico compared to the Americas and World's best performers



Source: OECD (2023). STRI database.

Recent policy changes

In 2023, *Aerolínea del Estado Mexicano, S.A. de C.V* was created, meaning that a new majority state owned company will be active in the air transport service sector in Mexico. In 2022, Mexico adopted IFRS 9 for financial instruments, aligning national accounting standards in the commercial banking services sector with international standards. In 2020, the adoption of the *Ley de Infraestructura de la Calidad* (Quality Infrastructure Law) promoted the harmonisation of national construction rules with international standards. This law also required national norms, standards, and verification processes for infrastructure and other relevant construction services to be based on international standards.

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » More information about measuring the regulatory environment for services trade in the APEC region: <https://apecservicesindex.org/>
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

ⁱNote: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.