



MEXICO – 2022

Key findings

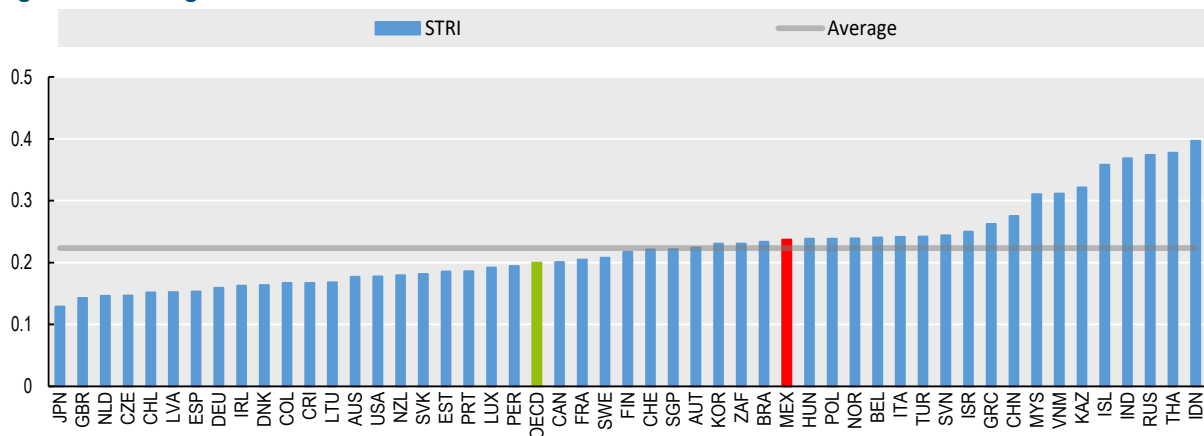
- The 2022 STRI of Mexico is above the OECD average and relatively high compared to all countries in the STRI sample. The indices have not changed compared to 2021.
- Mexico’s regulatory environment for services was relatively stable over the past years.
- Despite the overall favourable environment for services trade, restrictions remain in services sectors such as courier services, broadcasting, road freight transport or customs brokerage.

Recommendation

- Open and well-regulated services markets are essential to facilitate economic recovery, strengthen resilience to future shocks, and promote a more sustainable trading system. To ensure that the benefits of open markets and a rules-based international trading system are preserved, policy makers should focus on minimising barriers that increase trade costs for services providers, weaken the gains from digital transformation and undermine competitiveness.

The 2022 STRI of Mexico is relatively high compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2022



Note: 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 2022. 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. Source: OECD (2022). STRI and TiVA databases.

The results reflect in large part general regulation that apply across all sectors of the economy and 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 reviewed by the government and approved only if bringing net economic benefits to the country. Mexico maintains labour market tests for natural persons seeking to provide services in the country on a temporary basis and limits to six months the duration of stay of contractual and independent services suppliers. In public procurement, there is an explicit preference for bids with a domestic content, and certain procurement contracts are open to international tender only on a reciprocal basis. 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). In 2014-15, Mexico passed a package of reforms, including, inter alia, a new telecommunications law and a new financial law. No policy reform affecting the STRI index was identified in 2022.

Figure 2. Evolution of STRI indices by sector in Mexico

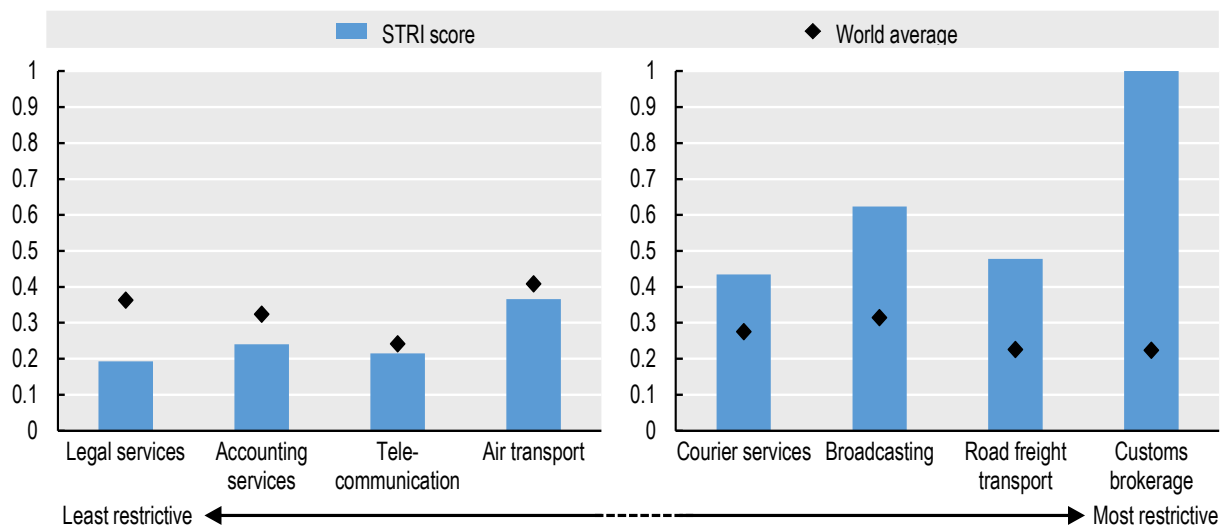
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2021 and 2021-2022



Source: OECD (2022). STRI database.

Legal services, accounting services, telecommunications, and air transport services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Courier services, broadcasting, road freight transport and logistics customs brokerage are the sectors with the highest score relative to the average STRI across all countries.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Mexico



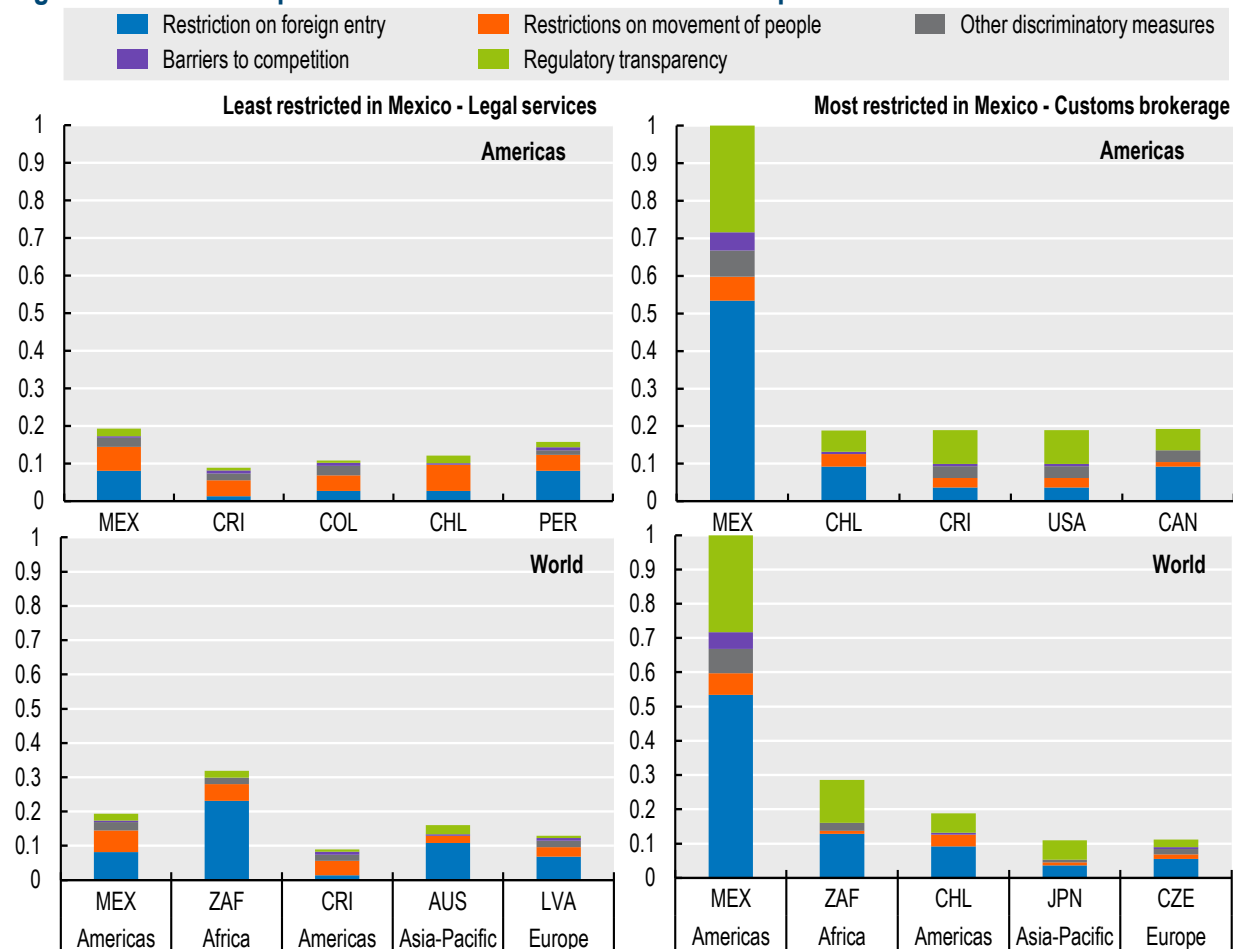
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

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

Source: OECD (2022). STRI database.

Legal services are the least restricted in Mexico compared to the Americas. The composition of the scores suggest that restrictions on foreign entry and movement of people have had an impact compared to other countries. There are few sector specific barriers apart from a domicile requirement to obtain a license and the absence of a temporary licensing regime for foreign practitioners. Otherwise, the relatively high score compared to regional peers is mostly due to economy-wide measures. Logistics customs brokerage services are the most restricted services sector in Mexico. 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 (2022). STRI database.

Recent policy changes

In 2020, the adoption of the *Ley de Infraestructura de la Calidad* (Quality Infrastructure Law) has promoted the adoption of international standards for construction services.

More information

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