

Argentina and Mexico sign an agreement for the automotive sector

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This afternoon, in a ceremony attended by Argentine Minister of Economy Axel Kicillof, Minister Giorgi and Mexican Secretary of Economy Ildefonso Guajardo signed the automotive agreement between both countries. The agreement is to remain in full vigor for four years and is to come into force next Thursday. This agreement is to establish tariff-free access for bilateral flows of trade in the automotive sector through a coupon and trade system, going back to free trade on March 19th, 2019.



Among

attendees to the ceremony, which was headed by Giorgi and Guajardo in Salón Scalabrini Ortiz at Palacio de Hacienda, were Argentine Minister of Economy Axel Kicillof; Argentine Secretaries of Industrial Strategic Planning and Foreign Economic Relations, Horacio Cepeda and Carlos Bianco; and Mexico's Under-Secretary of Foreign Trade Francisco de Rosenzweig. Mexican ambassador in Argentina Fernando Castro Trenti also attended the meeting, as well as other representatives of the Ministry of Industry, Economy and Foreign Relations.

The subscription is a result of the meetings held by Minister Giorgi and Secretary Guajardo in the city of Mexico on February 16th. The agreement, which was signed today, establishes the basis for the negotiation process of the 55th Economic Complementation Agreement.

The agreement is to allow light vehicles and auto parts exported between Mexico and Argentina to have tariff-free access. The agreement establishes the following guidelines:

- i) Quotas of increasing exports and tariff-free for the trade of light vehicles, starting in 575 million dollars on March 19th, 2015 and reaching 638 million dollars in the last year (from March 19th, 2018 to March 18th, 2019). The growth of quotas is equivalent to the expected evolution of the market.
- ii) A mechanism that grants an extension of preferences (independent of quotas) to the exporter of light vehicles equivalent to the imports made by one of the parties, with no need of depleting the annual quota established.
- iii) Administration of the quota for the exporter.
- iv) Maintaining a regional content of 35% for vehicles, reaching 40% in 2019.
- v) Commitment to go back to free trade as of March 19th, 2019.

This agreement shows the will and closeness promoted by Mexico and Argentina during the Administration of Argentine and Mexican Presidents Cristina Fernández de Kirchner and Enrique Peña Nieto, aiming at fostering the automotive company of both countries towards a regional productive integration.

Among attendees to the meeting were representatives of the Argentine sectoral chambers Adefa and Acara, Isela Costantinini and Raúl Amil.

Buenos Aires, March 16th, 2015