

Baroness Hayter of Kentish Town
Chair of the International Agreements
Committee
House of Lords
London
SW1A 0PW

T +44 (0) 20 7215 5000
E grimstone.correspondence@trade.gov.uk
W www.gov.uk/dit

18 May 2022

Dear Dianne,

A UK – Mexico Free Trade Agreement

On Friday 20 May, the Government will launch negotiations with Mexico on an enhanced and upgraded Free Trade Agreement, building on the UK-Mexico Trade Continuity Agreement, with the first round of negotiations to be held in Mexico City in July.

Mexico is an important partner for the UK; as the 16th largest economy in the world and the UK's 44th largest trading partner. The UK and Mexico already have a strong trading relationship, with total trade worth £4.2bn in 2021. It is a middle-income country with a population almost double the size of the UK's and projected to reach 146 million by 2035. Further, Mexico's demand for imports is forecast to grow by 35% between 2019 and 2035 in real terms as its economy expands. This growth could drive demand for UK exports.

Our current trade agreement with Mexico is heavily focused on goods trade. An upgraded trade agreement provides the opportunity to increase provisions for services, a sector which employs 82% of the UK workforce. An enhanced agreement with modern provisions can support UK trade across important areas to the UK such as financial, creative, digital and technology services.

Further, these bilateral negotiations will support the UK's long-term strategy to strengthen its relationship with the Indo-Pacific region and Americas, including through the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a free trade area with a collective GDP of £9 trillion, of which Mexico is an influential member.

The Department is publishing a comprehensive set of documents setting out the UK's strategic approach for negotiations between the UK and Mexico.

Please find embargoed copies of the public bundle attached. The embargo on these documents will lift at 12pm on 20 May 2022, when they will be published and placed in the house library. I am also placing a copy of this letter in the House library.

The Government is determined that any agreement must work for consumers, producers, businesses, service providers and investors across the UK. We remain committed to upholding our high environmental, labour, public health, food safety and animal welfare standards, alongside protecting the National Health Service (NHS).

The Government is committed to transparency and will ensure that Parliament, the Devolved Administrations, businesses and UK citizens have access to information throughout our negotiations with Mexico.

Yours ever,

A handwritten signature in black ink, appearing to read 'Grimstone', written in a cursive style.

Lord Grimstone of Boscobel, Kt
Minister for Investment
Department for International Trade
Department for Business, Energy and Industrial Strategy