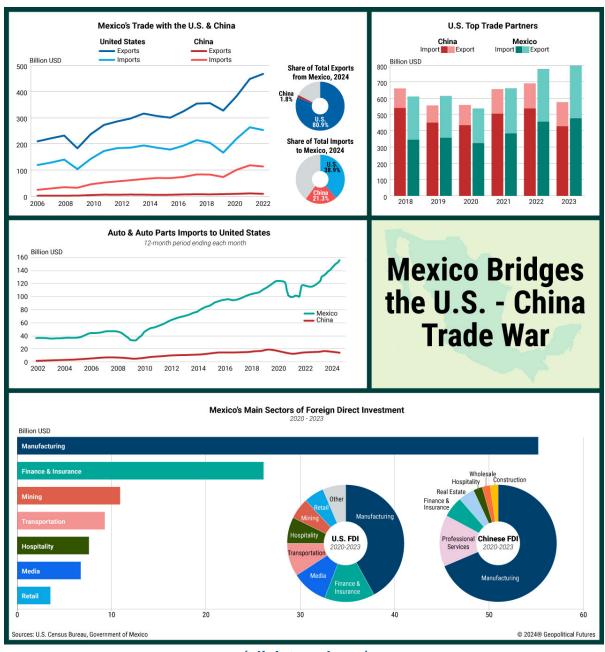


Mexico Is China's Backdoor to the US Market

by Geopolitical Futures - April 26, 2024



(click to enlarge)



Due to the trade war between the United States and China, some Chinese companies are employing third parties to help their products enter the U.S. market. One of these is Mexico. Last year, U.S. imports from Mexico surpassed those from China for the first time in years. At the same time, the shipment of 20-foot containers from China to Mexico surged to 881,000 in the first three quarters of 2023, up from 689,000 in the corresponding period of 2022.

Chinese firms aim to circumvent U.S. trade barriers by establishing manufacturing or processing facilities in Mexico. With the plants established, the firms ship components and partially assembled products from China to their Mexican facilities. The finished goods are then exported to the United States. For Chinese companies establishing operations in Mexico, securing a Mexican "certificate of origin" is crucial. However, the U.S. is looking at ways to prevent Chinese companies from gaining duty-free access to the U.S. market via the U.S.-Mexico-Canada free trade agreement.

Author: Geopolitical Futures

Read more from this author on geopolitical futures.com