### **USMCA:** lever for growth in the context of economic recovery for women-owned **SMEs**

California - Mexico Advocacy Week



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#### Women in the Economy: GENDER GAP



If women could participate in the economy on equal footing, world GDP could increase by 26% or the equivalent of \$12 trillion by 2025<sup>1</sup>.



In the world only 1 in 3 SME's are owned by women<sup>2</sup>.

Women represent a little more tan half of the population in Mexico, buy only 4 out of 10 women participate in the market, compared to 8 out of 10 men<sup>3</sup>.



The **pandemic** has disproportionately affected women, with **job losses** in México **more than double for women** (16%) than for men<sup>4</sup>.

- 1. Global Entrepreneurship Monitor 2018/2019
- 2. António Guterres, General Director ONU, 2017
- 3. INEGI.
- 4. Observatorio laboral COVID-19

#### **Women in International Trade**

According to the International Trade Center (ITC, 2015):

- Exporting companies owned by women earn more, employ more people and pay higher wages than those companies that do not export.
- As women-owned export companies grow, they employ more women.
- The percentage of women working in women-owned businesses involved in global trade is 66%, compared to 39% of women working in businesses that only trade regionally.

EXECUTIVE SUMMARY

WOMEN ENTREPRENEURS
An Action Plan to 'Build Back Better





SheTrades







# How we can close the Gender GAP?: USMCA provisions

## USMCA chapters that promote the development of women's businesses



#### **Chapter 6 - Textiles and Apparel**

The protection of Mexican handicrafts has increased with the Federal Copyright Law reform

(DOF 01/24/2020)



Art.6.2. provides access to preferential tariff treatment for folk goods that are produced in an artisanal way

#### Goods agreed between the Parties:

- Fabrics made on handlooms of the artisanal industry
- Goods of the artisanal industry made by hand with those fabrics made on manual looms
- Traditional folk artisan goods
- Indigenous artisan goods.

## Chapter 7 - Customs Administration and Trade Facilitation

**Objective:** 

Facilitate and expedite the clearance of goods in customs and make administrative processes transparent.

 Reduces costs to businesswomen derived from simplified customs operations

Section A: Trade Facilitation Measures: single windows, authorized operators, among others.

## Chapter 15 - Cross-Border Trade in Services



2/3 of women-owned businesses are in the service sector:

- Hospitality
- Education
- Food
- Tourism
- Commerce

#### Modes of service provision:

- You can export services without having to establish an office in another country.
- It is not required to establish itself in the US or Canadian markets to offer its services (except when it is duly established).
- Export of services exempt from VAT.

#### **Chapter 19 - Digital Trade**

- Generates development opportunities, especially for SMEs.
- Creates an environment to drive innovation in high-quality content, products and services.
- Promotes the development of computer platforms that allow the development and growth of companies.
- Promotes access of people with disabilities to information and communication technologies.

#### **Chapter 20 - Intellectual Property**

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**Patents** 

Maintains patents and data protection for innovators (20 years)

Copyrights

**Guarantees** and extends copyright protection

**Trademarks** 

**Transparency**, expands the coverage of validity and well-known brands

**Geographical Indications** 

Strengthens the protection of GI's and promotes transparency in opposition and consultation.

Internet Service Providers

Limits liability to balance the rights of innovators and internet providers

**Enforcement** 

**Strengthen** prevention, compliance and sanctions

USMCA The protects the intellectual property rights of female entrepreneurs and promotes innovation

#### **Chapter 23 - Labor**



Elimination of discrimination based on gender with respect to payment/wages.



Development of analytical tools to guarantee equal pay



Promotion of integration, permanence and capacity building practices



Consideration of gender related issues (Health and Safety at Work)



Prevention of gender-based violence and harassment



#### Chapter 25 - Small and Medium-Sized Enterprises

The SMEs Chapter enhances competitiveness and job creation in the North American region by recognizing the importance of SMEs in the economic structure of our three countries.





Collaboration on activities to promote SMEs owned by under-represented groups, including women

Increases the participation of SMEs in the creation of added value.





#### **Chapter 26 - Competitiveness**



Information exchange activities



**Business opportunities** 



**Competitiveness and SMEs** 



Physical and digital infrastructure



Combat distorting practices



Cooperation activities for trade and investment

Objective: increase the production and competitiveness of the countries of the region

### Mexico - California MoU

#### **Cooperation with California**

 California is key to the U.S. - Mexico trade partnership.

 California's trade with Mexico accounts for 13.4% of total trade flows between Mexico and the U.S. (USD\$ 72 billions in 2020)<sup>1.</sup>



#### **Memorandum of Understanding** as a reflection of close partnership:

- ✓ Business promotion opportunities
- ✓ Virtual trade fairs by sector
- √ Women inclusion

#### Mexico - California MoU Signed on October 4<sup>th</sup>, 2019



#### √ Objectives:

- Formal and flexible framework
- Expand trade and investment cooperation
- Foster scientific and technological collaboration,
- Promote export products diversification
- Boost economic development for all regions
- Create jobs

#### ✓ Areas of cooperation:

- Creative industries
- Digital economy and industry
- MSMEs
- Alternative and renewable energy
- Environmental protection
- Agriculture
- Agricultural technologies
- Workforce development
- Infrastructure for cross-border movements and trade facilitation

## Tools

## **Support Platforms**



www.gob.mx/t-mec

#### MiPyMEs Mx

https://mipymes.economia.gob.mx/

#### **Exporta MX**

https://exportamx.economia.gob.mx/

#### **Data México**

https://datamexico.org/

#### **Comercia MX**

https://comerciamx.economia.gob.mx/

## WomanExportingMx 1.0-2.0

#### Woman Exporting MX | Mujer Exporta MX



E-Business Matchmaking event which comprises specialized training sessions on the outlook faced by Mexican businesswomen exporters.

Multisector for suppliers and buyer companies of products.

✓ **Objective:** Strengthen export opportunities for Mexican businesswomen by creating networks with buyers or distributors from the United States and Canada (USMCA) and Australia, Japan and New Zealand (CPTPP).

#### WomanExportingMX | Mujer Exporta MX



Successful first edition (October 2020), will follow with s new edition May 11<sup>th</sup> - 13<sup>th</sup>, 2021.

□ gob.mx/SE to register and participate



## Thank you

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