

Voluntary Report – Voluntary - Public Distribution

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Report Name: Mexico Announces New Anti-Inflationary Program

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Report Highlights:

On October 3, 2022, the Office of the President of Mexico announced the Opening Agreement against Inflation and Scarcity (APECIC) between the Government of Mexico and fifteen private companies, aimed at combatting food price inflation. The agreement extends through February 2023 and pledges to reduce the prices of 24 basic goods (mostly food items) by eight percent. APECIC provides the fifteen signatory companies with temporary exemption from Mexico's import requirements for food and food packaging administered by Mexico's import regulatory authorities. Other provisions include a ban on Mexico's exports of white corn, beans, sardines, and some food packaging materials plus a suspension of the development of new regulations that would impede trade or increase food import costs. The program has not yet been published in Mexico's Federal Register. This report provides an unofficial translation of the announcement.

On October 3, 2022, President Andrés Manuel López Obrador was joined by Finance Secretary Rogelio Ramírez de la O and a group of private sector representatives to present the Opening Agreement Against Inflation and Scarcity (abbreviated APECIC after its name in Spanish) between the Government of Mexico (GOM) and fifteen private companies (see Table 1). The agreement is the second GOM anti-inflationary program this year, following the Anti-Inflation and Scarcity Package (PACIC) announced in May 2022 (see GAIN report [MX2022-0030](#)).

The agreement extends through February 2023 and pledges to reduce the prices of 24 basic goods (mostly food items) by eight percent. According to GOM sources, the 24 products included in APECIC are the same as those in PACIC (see Table 2).

APECIC provides the participating companies with temporary exemption from all import procedures and permits administrated by Mexico's import regulatory authorities, including the National Service of Agro-Alimentary Health, Safety, and Quality (SENASICA) and the Federal Commission for the Protection Against Sanitary Risks (COFEPRIS). In place of oversight by Mexico's authorities, the companies will be entrusted with ensuring the goods they import and distribute comply with health, safety, and quality standards. In addition, during the APECIC period, the GOM will suspend the adoption of new regulations that would impede trade or increase the costs of food import and distribution, including tariffs, non-tariff barriers, and other import requirements. APECIC also suspends Mexico's export of white corn, beans, sardines, and aluminum and steel for food packaging.

The APECIC program has not yet been published in Mexico's Federal Register.

This report provides an unofficial translation of the announcement of the agreement by the Office of the President of Mexico.

Table 1: Private Company Signatories to APECIC

No.	Company	Product
1	TUNY	Tuna
2	Grupo PINSA-DOLORES	Tuna
3	Grupo GRUMA-MASECA	Tortillas
4	MINSA	Tortillas
5	BACHOCO	Chicken Meat and Eggs
6	SAN JUAN	Egg
7	SUKARNE	Beef
8	GRUPO GUSI	Beef
9	OPORMEX	Pork
10	SIGMA ALIMENTOS	Pork
11	WALMART	Distributors
12	SORIANA	Distributors
13	CHEDRAUI	Distributors
14	CALVARIO	Eggs
15	VALLE VERDE	Not Specified

Source: Mexican Secretariat of Agriculture and Rural Development (SADER)

Table 2: Basic Basket of Goods

No.	Product	Unit
1	Canola or corn oil	1 piece of 946 ml
2	Paddy rice	1kg
3	Canned tuna	2 cans of 140g
4	Brown sugar	1kg
5	Beef	1kg
6	Onions	1kg
7	Jalapeno peppers	1kg
8	Pork chops	1kg
9	Dry beans	900g
10	White chicken eggs	10 pieces
11	Bath soap	1 piece
12	Roma tomatoes	1kg
13	Milk	5 liters
14	Lemons	1kg
15	Apples	1kg
16	Oranges	1kg
17	Sliced bread	1 package of 680g
18	Potatoes	1kg
19	Toilet paper	1 bag of 4 pieces
20	Pasta	1 package of 220 g
21	Whole chicken	1kg
22	Canned sardines	1 can of 425g
23	Corn tortillas	4kg
24	Carrots	1kg

Source: Mexican Department of Finance

Begin Unofficial Translation

Mexico
Office of the President

Opening Agreement against Inflation and Scarcity (APECIC)

Due to the increase in global inflation, Mexico been impacted in, among others, the costs of agricultural and energy inputs.

The government has neutralized the inflationary effect of the gasoline increases, maintaining its commitment to limit any increase to no more than the inflation rate. However, the increase in the price of agricultural products has been strongly felt. This explains why the contribution of energy to annual inflation of 8.8 percent in the first half of September 2022 is 0.62 percentage points and that of food is 4.2 percentage points.

Unlike in the United States, where inflation is from demand, in Mexico it is from supply. For that reason, the best response is to produce more food and reduce regulatory and logistical costs on the part of the government and producers, to strengthen this food supply.

The companies represented here and the Federal Government have jointly analyzed this situation as worthy of maximum attention for the inflationary moment and arrived at the following:

AGREEMENT

1. Based on trust, the Federal Government grants the signatory companies of this Agreement a Single Universal License that, regarding the activities of import and distribution of food and food packaging supplies of said companies, exempts them from any procedure or permit, including those of the National Service of Agro-Alimentary Health, Safety, and Quality (SENASICA) and the Federal Commission for the Protection Against Sanitary Risks (COFEPRIS), as well as the general import tax. Thus, they are entrusted with the responsibility of ensuring that the goods they trade comply with sanitary, safety, and quality standards.
2. During the term of this Agreement and within the framework of the License, the authority will suspend the review of any regulation that is considered to prevent or make more expensive the import of food and its transport within the country. This includes tariffs, non-tariff foreign trade barriers, and other requirements for domestic entry and circulation.
3. With this License, companies undertake to carry out the necessary verification to ensure that the food and supplies imported and distributed are of good quality and free of diseases, both sanitary and of any other nature.
4. The Government of Mexico will maintain its policy of containment of the price of fuels and electricity established since December 2018. Additionally, it will freeze the rates of the highways concessional to the National Infrastructure Fund (FONADIN) and to Federal Roads and Bridges (CAPUFE) until February 28, 2023.
5. The authorities will manage, in the interest of strengthening national production, cases of food products that require solutions to overcome situations of unfair competition, seasonality, trade

restrictions, or any other issues that the company itself cannot feasibly overcome and that affect the food supply.

6. The Government of Mexico will place additional emphasis on its program to strengthen the national production of those grains in which Mexico has a deficit, and will suspend, for the period of this Agreement, the export of white corn, beans, sardines, and scrap aluminum and steel used in food packaging. The need to extend this limitation to other products will be jointly examined.
7. Currently, the average maximum price of the agreed Basic Basket is 1,129 pesos (approximately U.S.\$56.00) for the 24 products. An initial effort is that the coordinated action of the Government, producers, and grocery stores reduce this amount by 8 percent, to 1,039 pesos (around U.S.\$ 51.89) through February 28, 2023.
8. Regarding the corn flour used for tortillas, the relevant companies undertake not to increase their prices during the term of this Agreement. Specifically, for the extra premium basic flour without preservatives, the effort will be extended to reach an average price 3 percent lower than the current maximum average price.
9. The signatory companies here and the Government agree to accept verification by the Federal Consumer Prosecutor's Office and that this agency has sufficient authority and power of control and sanction in those cases where abuses are detected, in all and any of the stages of the chain of trade and distribution of food.
10. The Government will permanently review the performance of this Agreement in meetings with companies.

The authorities shall issue the necessary instruments to make this Agreement valid and functional, which shall enter into force upon the publication of the corresponding Decree in the Official Gazette of the Federation.

End Unofficial Translation

Attachments:

[Acuerdo de Apertura Contra la Inflacion y la Carestia \(APECIC\).pdf](#)