



# Mexico Webinar

Political Risk Insurance & Surety

November 7, 2023

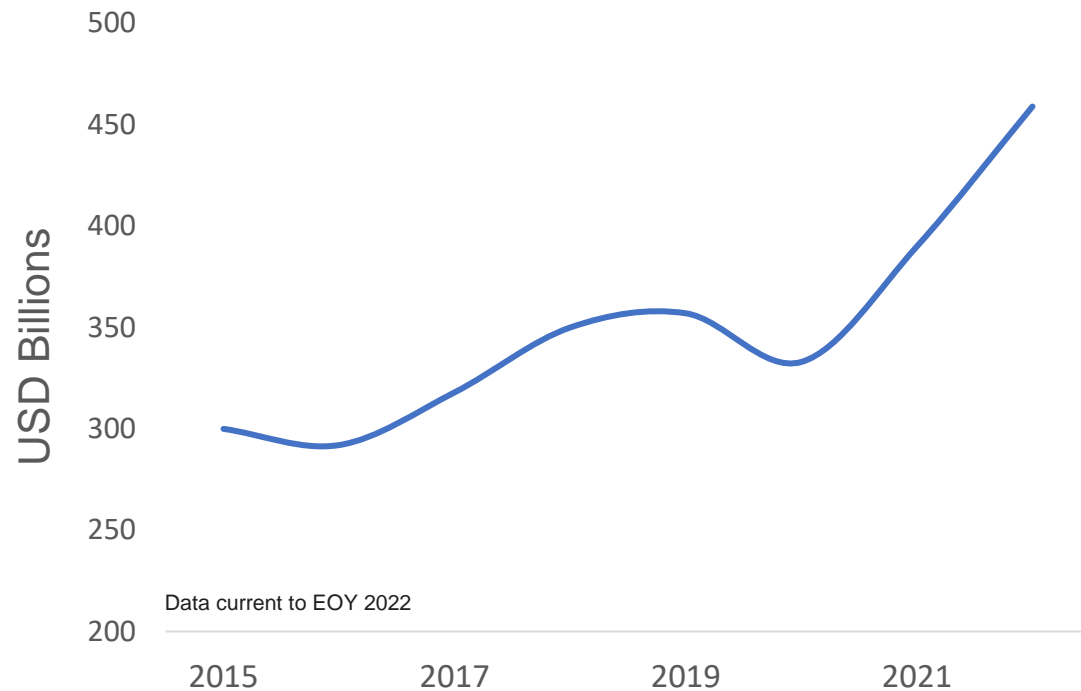
A business of Marsh McLennan



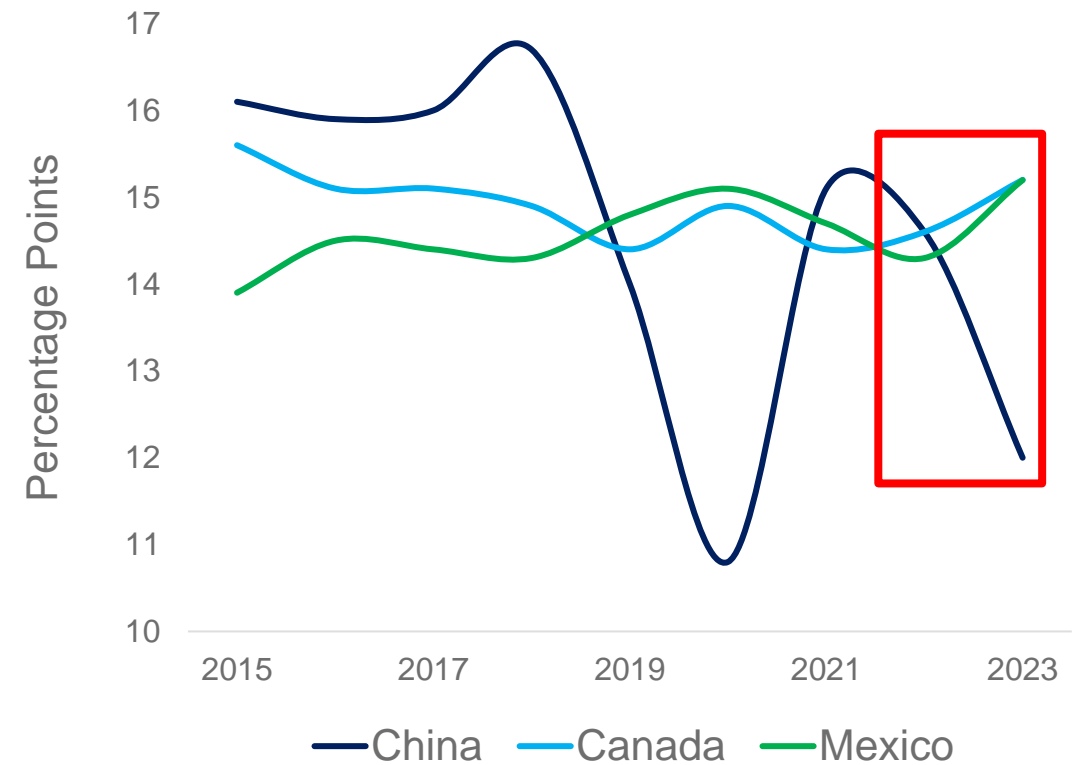
# Mexico becomes the US's largest trade partner in Q1 2023

Yet the share of total US trade hasn't increased

### Mexico's Annual Exports to US

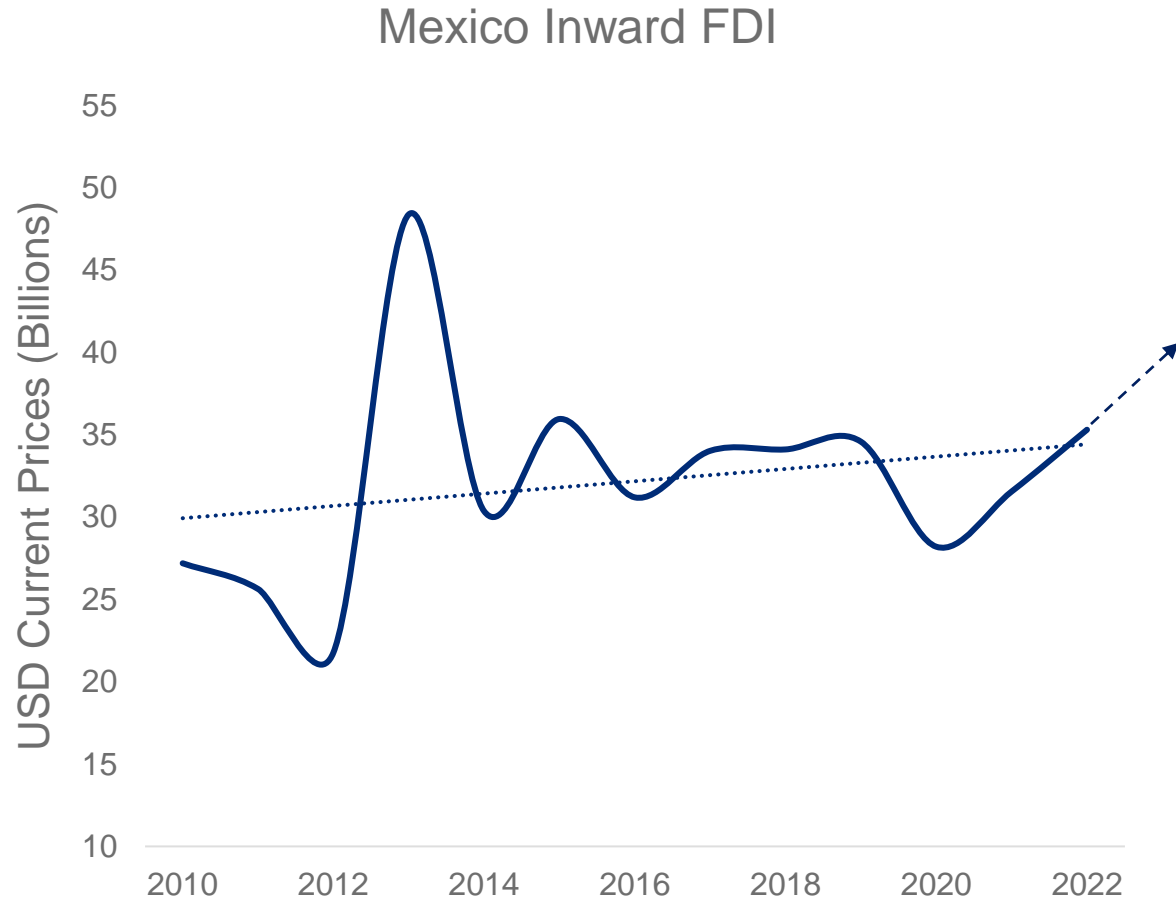


### Mexico's Share of US Trade



# Status of Nearshoring

Certain factors are weighing on Mexico's ability to capture the total available opportunity

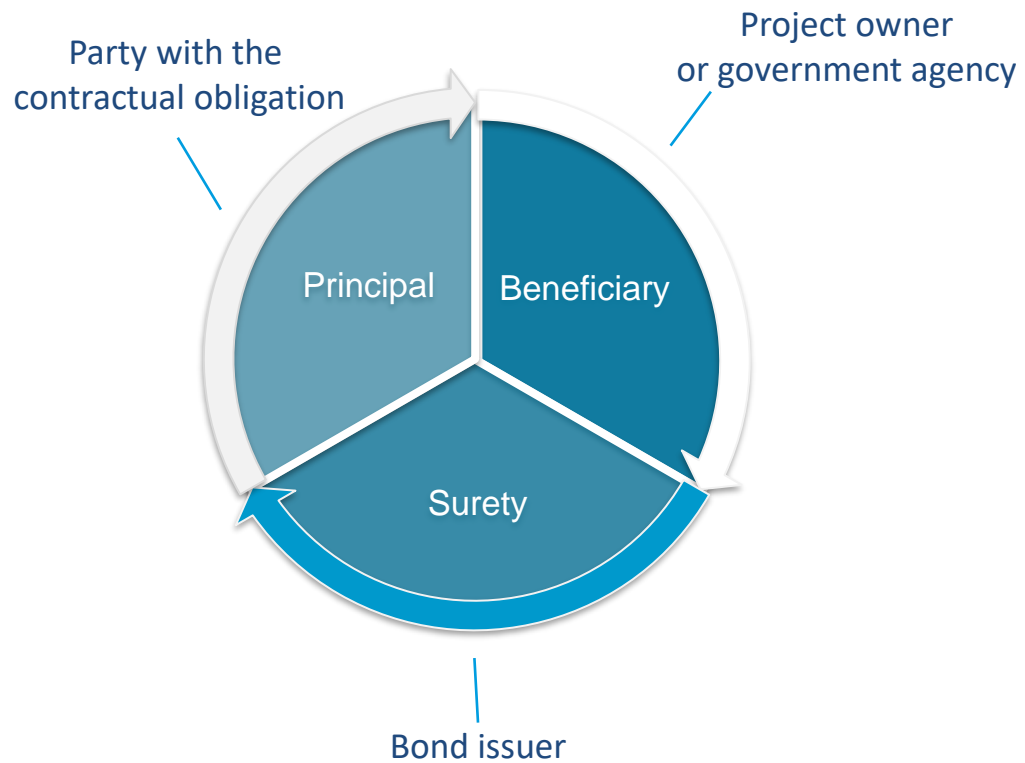


**Issues which are difficult for the government to influence**

**Issues the government can influence**

**Challenges the government has created**

# What is Surety?



**Protects against the Contractor/Supplier performance or payment risk**

**Issued by well-rated specialized surety underwriters**

**Callable upon breach of contractual obligation**

**Widely accepted by both government and commercial contracts**

# Vendors Surety Program

Vendors Surety Program can assist in managing both performance and payment risks:



Pre-qualification  
of contractors  
and suppliers



Timely and  
transparent claims  
procedures and  
handling



Oversight of surety  
participants and  
policy wordings



Secure technology  
through Marsh's  
MSurety system

# The USMCA

Fixes key NAFTA problems, raises political stakes



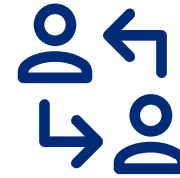
## USMCA: What's new?

- Increased stringency for certain manufacturing sectors
- Stronger labor laws
- Improved digital and IP protections



## A Political Factor

- Timing of USCMA disputes may coincide with elections
- Deglobalization contributes to increased public awareness
- 16-year sunset provision a potential stumbling block



## Ongoing USMCA Disagreements

- Mexico places restrictions on the import of certain types of genetically modified corn
- Mexico's policies related to energy delivery
- Previous dispute have covered US solar rules, Canadian dairy tariffs, and automotive rules of origin criteria

# Marsh Mexico

## Surety Practice Locations

- Monterrey
- Torreón
- Reynosa
- Chihuahua
- Cd. Juárez
- Mexicali
- Tijuana
- Hermosillo
- Guadalajara
- León
- Querétaro
- Mexico City
- Puebla
- Cancun
- Playa del Carmen
- Mérida



**The strength of the US-  
Mexico relationship is not  
structurally at risk**

**The question is: how well will Mexico  
capture this unique opportunity?**



# Contact Us

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