



April 14, 2026

Re: Comments of CCE, CONCAMIN and INDEX in relation to the Section 301 Investigation – Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing Sectors

Ambassador Jamieson Greer

United States Trade Representative

Dear Ambassador Greer,

On behalf of the Consejo Coordinador Empresarial (CCE), the Confederación Nacional de Cámaras Industriales de los Estados Unidos Mexicanos (CONCAMIN) and the Consejo Nacional de la Industria Maquiladora y Manufacturera de Exportación (INDEX), we are writing to express our collective concerns regarding the ongoing Section 301 investigation by the United States into the structural excess capacity and production practices of certain economies in the manufacturing sector (the *‘Investigation’*).¹

During the last decades, Mexico and the United States have strengthened their commercial ties, which have further expanded with the establishment of the USMCA. This has resulted in a transformation of our economies into one of integrated regional production, paving the way for global success.

The Significance of the Mexican Market for the United States²

Mexico has emerged as the most important market for the United States. In fact, the United States total exports to Mexico accounts more than the combined total exports to the four largest Asian markets: China, Japan, South Korea, and Taiwan, as well as the

¹ Initiation of Section 301 Investigations: Acts, Policies, and Practices of Certain Economies Relating to Structural Excess Capacity and Production in Manufacturing. Published in the Federal Register on March 17, 2026. Available at <https://www.govinfo.gov/content/pkg/FR-2026-03-17/pdf/2026-05214.pdf>

² All the data in this subsection is calculated from export statistics of the US Census office. Available in <https://dataweb.usitc.gov>.

total exports to the six largest European Union markets (Netherlands, Germany, France, Italy, Belgium, and Spain).

Furthermore, Mexico is the main market for 24 US industries, including meat and livestock, dairy, grains, sugar, oil and gas, chemical, plastics, textiles, and auto parts, steel and aluminum products.

Moreover, Mexico serves as the first or second destination for the exports of 26 US states.

That is, Mexico is the most important market for companies from a myriad of industries located all over the US, providing depth and breadth to the trade relationship between the US and Mexico.

Regional Integration

Mexico's economic relationship with the US has evolved from exchanging final products to a regional coproduction model. This model has significantly enhanced the competitiveness of North America.

A substantial portion of Mexican imports from the US (62%) and US imports from Mexico (59%) consist of industrial inputs that are further processed to produce components or final goods.³

25% of the US-Mexico bilateral trade is between related parties engaged in cross-border manufacturing processes⁴. Notably, there is no US trading partner that incorporates more US inputs and materials into its exports than Mexico.⁵

The regional integration benefits the US manufacturing industry by reducing costs and accelerating production to meet consumer demands promptly. This integration is evident in the high correlation between the manufacturing sectors of both countries.⁶ When employment in the US manufacturing sector increases, employment in the Mexican manufacturing sector also increases.

³ Own calculations based on the Classification by Broad Economic Categories Rev. 5, United Nations Statistical Division and US Census Bureau. <https://dataweb.usitc.gov>.

⁴ National Association of Manufacturers. <https://nam.org/issues/trade/usmca-2026/>.

⁵ OECD. Trade in Value-Added. Available at: <https://www.oecd.org/en/topics/sub-issues/trade-in-value-added.html>

⁶ Own calculation using the series All Employees, Manufacturing, (MANEMP), FRED. Federal Reserve Economic Data. St. Luis Fed, and *Encuesta Mensual de la Industria Manufacturera*. INEGI.

This data indicates that not only is Mexico the most significant market for US goods, but that the integration between the two countries enhances the competitiveness of the region.

New tariffs and restrictions resulting from the Investigation will hinder trade between Mexico and the US and disrupt consolidated supply chains, which will have severe repercussions for the regional economy and the ability of North America to compete with third countries.

Uncertainty and investment

The ongoing investigation process creates significant uncertainty for Mexican exporters, investors, and logistics providers. This uncertainty also affects US producers due to the close integration of the economies.

Many Mexican firms are already grappling with uncertainty regarding the USMCA review, and suffering the negative impact of Section 232 tariffs, which have also affected US companies. Additional tariffs or duties could exacerbate existing costs, undermining the gains achieved under the modernized USMCA framework.

The *Investigation* introduces another layer of uncertainty, hindering long-term planning and deterring new investment in the region.

Mexico should be exempted from any tariffs

The *Investigation* states that structural excess capacity has been characterized generally as underutilized industrial production capacity that is sustained through governmental interventions or policies incentivizing companies to maintain or grow their unused capacity inefficiently.⁷ These policies disconnect production from the natural incentives of domestic and global market demand, encouraging firms to maintain or expand unused capacity inefficiently.

The *Investigation* identifies several policy interventions that can lead to structural excess capacity,⁸ including:

- (1) Promoting production and exports without regard for market drivers of supply, demand, and investment, often through subsidies.
- (2) Suppressing domestic wages.
- (3) Non-commercial activities of state-owned or controlled enterprises.

⁷ Investigation, p. 2.

⁸ Ibid, p.3.

- (4) Sustained market access barriers.
- (5) Lax or inadequate environmental or labor protection or social safety nets.
- (6) Subsidized lending.
- (7) Financial repression and currency practices.
- (8) Other factors.

Based on the rationale set forth in the *Investigation*, Mexico should be exempted of any tariffs.

Mexico is a market-based open economy that competes with every country in the world. We believe the Mexican government does not intervene to depress domestic demand or decouple business decisions from market-based incentives. There are no policies like those listed above aimed at generating structural excess capacity. For example, Mexican state-owned companies do not subsidize their products to increase the competitiveness of domestic private companies, as is sometimes the case in other countries.

Mexico has an almost balanced trade.⁹ If the Mexican government had engaged in deliberate policies to depress consumption or increase the surplus permanently, Mexico would instead display a significant trade surplus.

As is expected in any open economy with relatively low tariffs, Mexico has trade surpluses with some countries and deficits with others, based on our comparative advantage. Even within individual countries like the US, we have trade surpluses or deficits by industry due to comparative advantages. For instance, Mexico has a trade deficit with the US in steel and aluminum, while it has a surplus in automotive, which is the result of our own strengths and weaknesses vis-à-vis the US.

Ambassador Greer, the Mexican private sector believes that Mexico does not engage in practices to promote excess capacity and damage the economic relationship with the US. We also believe that joint production between Mexico and the US, based on comparative advantage, is the key to North American competitiveness. New tariffs will definitively hinder the mutual benefits derived from the USMCA.

The Mexican private sector respectfully asks you to clear Mexico of any wrongdoing and exempt Mexico of any tariffs. We are, of course, ready to respond to any information request that may help in your investigation.

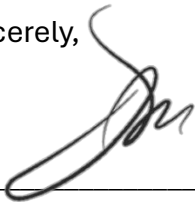
⁹ In 2025, Mexico recorded a trade deficit of 1%. Own calculations using data from INEGI and SAT.

Conclusion

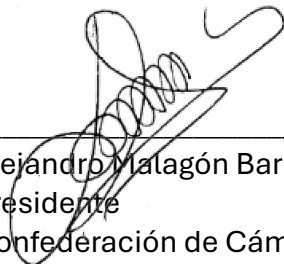
The CCE, CONCAMIN and INDEX supports a strong, mutually beneficial trade relationship between Mexico and the United States. We acknowledge the importance of the Section 301 investigation in protecting US industries, but we also emphasize the need for a balanced approach that considers the legitimate interests of Mexican manufacturers and the broader economic interdependence that has characterized our bilateral trade partnership.

We look forward to engaging in constructive dialogue to resolve the issues at hand in a manner that preserves the integrity of the US–Mexico trade relationship.

Sincerely,



José Medina Mora
Presidente
Consejo Coordinador Empresarial (CCE)



Alejandro Malagón Barragán
Presidente
Confederación de Cámaras Industriales de
los Estados Unidos Mexicanos (CONCAMIN)



Humberto Martínez Cantú
Presidente
Consejo Nacional de la Industria Maquiladora
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