



UNCTAD High-level International Investment Agreements (IIA) Conference 2018

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First, I will like to show my appreciation to UNCTAD for the invitation to such relevant Forum. The World Investment Forum is a perfect opportunity to share ideas and knowledge with other colleagues for all around the world. In my experience sometimes, you are so involve with specific negotiations or specific commercial partners that you miss the important work that happens in other countries. The information generate by UNCTAD and this kind of Forum is a fundamental tool to share experiences and continue in connection with investment globalization.

In the last year, Mexico has engaged in the modernization of important agreements like NAFTA and the agreement with the European Union. During those negotiations we take into account the recommendations and principals made by UNCTAD, for example, we recognize the importance of right to regulate, particularly in relevant sectors like environmental, health and data protection.

Today, Mexico counts with a big network of treaties, in total we have 32 Bilateral Investment Treaties, the last one negotiated with Hong Kong, and 12 Free Trade Agreements that includes Chapters related with investment, if we translate this to protection our network already cover 99% of foreign direct investment in Mexico and almost all our important investors covered all around the world. Taking into account this information, my recommendation internally go in the same direction of phase # 2 of the UNCTAD reform, is not necessary that Mexico continue negotiating news Bilateral Investment Treaties, instead we need to focus, as we do with NAFTA and the European Union, in the modernization of our 32 Bilateral Investment Agreements.

Starting with this modernization is not an easy task, before sitting at the negotiation table is completely necessary to update our Bilateral Investment Treaties Model and Mexico is in the middle of that work. As mention in the phase # 1 of the reform, in the Mexican new model, we

will need to incorporate elements like promotion and facilitation of investment, right to regulate from the host state, responsibility of the investor and protection of the environment, but the challenge comes when we are developing these new disciplines and its relation with the Investor-State dispute settlement mechanism.

Another important element to take into account in the new BIT model is the exception of Prudential Measures. Our current practice is to include this exception when we are negotiating an Investment Chapter in a Free Trade Agreement but we do not have the exception in our BITs. From Mexico point of view is necessary, for the integrity of our Financial System, to make clear that our financial authorities have sufficient space of maneuver in case of a financial crisis.

Mexico, as a developing country, is convince that having a mechanism of Investor State Dispute Settlement is fundamental tool to attract foreign direct investment, but we also share the view that is a good moment to reform this mechanism and find a common ground between the right of the investors and the right of the states to regulate in the areas I have previously mentioned.

Finally, I will like to highlight the importance of the structural reforms that Mexico engages in the administration of President Enrique Peña. These reforms in relevance sectors such as Telecommunications, Energy and Financial Services, in my opinion are good examples of phase # 3 of IIA Reforms, and I have confidence that if Mexico continue implementing these structural reforms we will be in the right direction to find coherence between our new BIT model and our internal policies.