

'TRUMP EFFECT' BIGGEST THREAT TO MEXICO-US TRADE RELATIONS - BASHAM ABOGADOS

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The potential impact of the US' protectionist trade policies in the wider global economy have caused widespread concerns

"The Trump effect is the biggest challenge Mexico will deal with in 2017," says Daniel Del Rio, partner at Basham Abogados in Mexico City. "There is a degree of uncertainty affecting political and commercial relations between the US and Mexico." Del Rio adds that there is still a lack of clarity regarding US policy changes on trade, investment, immigration or international relations. Such changes constitute a "difficult process for Mexico which has seen its business model adapt under NAFTA for over 22 years, but also for the US, where approximately 40 states have Mexico as one of their biggest trade partners", Del Rio says. He adds that the potential impact of protectionist trade policies in the wider global economy have caused widespread concerns beyond Mexico. While some clients have paused their plans for Mexico while they await further developments, others are continuing with their projects, highlighting the confidence in the Mexican economy which remains stable, partly due to a highly-qualified workforce. The outlook for the coming year in sectors such as tourism and energy is positive. The key for Mexico is to focus on diversification, according to

Del Rio. Specifically, expanding investment in energy and related infrastructure, growing in tourism and making the internal market even more attractive to foreign investment.

Mexico remains a key component of the global strategies of international law firms and multinational companies, Del Rio argues. The country's legal market remains highly competitive and, with the new challenges ahead, all law firms need to adapt, though expected opportunities in the energy sector have yet to fully materialise, Del Rio says. However, he adds that he expects his firm to grow in 2017 as it expands its human rights and international trade practices. Del Rio says the firm's strategy includes expanding its Japan desk and China desk.