



2026 National Trade Estimate Report on
**FOREIGN TRADE
BARRIERS**

*of the President of the United States
on the Trade Agreements Program*

UNITED STATES TRADE REPRESENTATIVE

MEXICO

TRADE SUMMARY

The U.S. goods trade deficit with Mexico was \$196.9 billion in 2025, a 14.8 percent increase (\$25.4 billion) over 2024. U.S. goods exports to Mexico totaled \$338.0 billion in 2025, up 1.2 percent (\$3.9 billion) from 2024. U.S. goods imports from Mexico totaled \$534.9 billion in 2025, up 5.8 percent (\$29.4 billion) from 2024. Total U.S. goods trade (exports plus imports) with Mexico was an estimated \$872.8 billion in 2025. Mexico was the largest U.S. goods export market in 2025.

The U.S. services trade surplus with Mexico was \$8.4 billion in 2025, a 58.6 percent increase (\$3.1 billion) over 2024. U.S. services exports to Mexico totaled \$52.4 billion in 2025, up 3.9 percent (\$2.0 billion) from 2024. U.S. services imports from Mexico totaled \$44.0 billion in 2025, down 2.5 percent (\$1.1 billion) from 2024. Total U.S. services trade with Mexico was an estimated \$96.4 billion in 2025. Mexico was the 6th largest U.S. services export market in 2024 (latest data available).

TRADE AGREEMENTS

The United States–Mexico–Canada Agreement

The United States–Mexico–Canada Agreement (USMCA) entered into force on July 1, 2020. The USMCA sought to rebalance and modernize the North American Free Trade Agreement to include more robust rules of origin, strong, enforceable labor and environmental obligations, provisions to combat non-market practices, and provisions covering small and medium-sized enterprises (SMEs).

Article 34.7.1 of the USMCA provides that the Agreement must terminate 16 years after the date of entry into force, unless each Party confirms that it wishes to continue the Agreement for a new 16-year term. Pursuant to Article 34.7.2 of the USMCA, the United States, Mexico, and Canada will meet on the sixth anniversary of entry into force (*i.e.*, July 1, 2026) to conduct a Joint Review of the operation of the USMCA, evaluate any recommendations for action submitted by a Party, and decide on any appropriate actions.

IMPORT POLICIES

Taxes

Value-Added Taxes

Mexico applies a standard value-added tax (VAT) rate of 16 percent to goods and services, including U.S. exports to Mexico, although no VAT is payable on the sale of certain goods (*e.g.*, certain basic foodstuffs, medicines, and agricultural goods) and a VAT credit may apply in certain border regions (50 percent of the 16 percent VAT rate). Mexico rebates VAT duties on export, including exports to the United States.

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

Mexico continues to provide insufficient prior notification of procedural changes. Recent amendments to the Customs Law were promulgated in rules that were published on December 27, 2025 and went into force on January 1, 2026. Opportunities to comment on proposed regulatory amendments are also often short

and inconsistent. Not all stakeholders have an opportunity to provide input. When input is provided, the acceptance and use of that input is uneven.

The January 1, 2026 rules impose strict liability on customs brokers who fulfill the customs procedures for U.S. exports to Mexico. Significantly more information is required to conduct each import transaction, while the potential liability for penalties has risen dramatically. Mexico's Customs Agency also has an expanded ability to detain and seize shipments.

A significant number of Mexican customs brokers have been suspended in the past year. Yet the exam and application process for approving new customs brokers has not been opened since 2023. The new Customs Law establishes a new Customs Council to oversee the licensing and approval of Mexican customs brokers. The United States will monitor the implementation of the new council and the beginning of its work.

Some goods are still not allowed to be imported at all ports of entry. Restricting goods to certain ports has made it difficult for U.S. exporters to arrange for transportation and logistics for these items, especially for electronic commerce purchases from U.S. SME exporters.

The USMCA prohibits arbitrary limits on the number of ports at which a customs broker may operate. Yet, Article 161 of Mexico's Customs law limits a broker to operate at four ports if the broker is not part of a customs agency. The United States is working diligently with Mexican authorities to ensure the customs brokers that are part of an agency can use their agency tax identity to process shipments at more than four ports. Delays stem from the separation between Mexico's Customs Agency and its Tax Administration Service. The Customs Agency is responsible for developing customs policies and procedures, but the IT systems and equipment that implement those policies are still the responsibility of the Tax Service. Coordination between the two is improving, but remains difficult.

The USMCA also requires that Mexico implement a periodic payment option for express delivery shipments, which Mexico had not done as of January 1, 2026. Further, U.S. stakeholders have raised concerns about updates to the rules for express carriers that eliminate the ability for those carriers to use simplified procedures for high-value shipments more than \$2500, instead requiring importers of those high-value shipments to use a specialized broker.

Other Market Access Barriers

Medical Devices, Supplies, and Pharmaceuticals

Industry continues to report delays of 18 months to 24 months for adjudication of sanitary registrations and import permit applications. Overall, the regulatory environment has shown minor improvements, but more structural changes need to be made to facilitate registration in Mexico. Although the Federal Commission for Protection Against Sanitary Risks (COFEPRIS) continues to work through its backlog, companies that try to register U.S. Health and Human Services Food and Drug Administration (FDA)-approved products in Mexico continue to report delays of more than a year. Regulatory delay remains a primary barrier to entering the Mexican market for medical devices and pharmaceuticals. COFEPRIS reportedly continues to be understaffed, with insufficient capacity to grant sanitary registrations and conduct factory inspections to issue good manufacturing practices certifications within the established timeframes. COFEPRIS is in the process of implementing reliance mechanisms for approvals and inspections and, as part of these efforts, continues to hold technical regulatory discussions with the FDA to identify opportunities to improve its review process.

Pesticides and Agricultural Chemicals

U.S. companies continue to report significant delays in receiving the necessary registration and marketing approvals from COFEPRIS for certain pesticides and agricultural chemicals. These delays appear to impact both applications for registration and applications for reregistration, sometimes involving only administrative updates such as changing the company's address. Companies report COFEPRIS is not granting registration renewals for many pesticide molecules. Consequently, some license holders have lost their registrations and the ability to import pesticides and agricultural chemicals. In late 2025, Mexico issued several new measures intended to simplify the registration and approval process for certain agricultural chemicals. The United States will continue to monitor the implementation of these new measures to ensure U.S. companies' concerns are addressed.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Implementing Regulation for the Quality Infrastructure Law

In August 2024, Mexico published a draft implementing regulation for the July 2020 Quality Infrastructure Law on the National Regulatory Improvement Commission's (CONAMER) website. In comments submitted to Mexico, the United States expressed serious disappointment with Mexico's decision to offer a period of only 10 business days to comment on the draft regulation. In addition, the United States emphasized concerns related to, and sought clarity on, how the regulation will impact matters including consideration of international standards and conformity assessment procedures in the development of Mexican technical regulations. U.S. industry has expressed concerns that the lack of a finalized implementing regulation has created a regulatory vacuum where standards development organizations cannot be formally recognized as standardization bodies in Mexico and therefore have not been able to carry out the formal procedures required to propose and publish harmonized standards. U.S. stakeholders also have expressed concerns that without these procedures in place, standards that have been harmonized with the rest of North America cannot be officially adopted as Mexican Official Standards (NOMs). The United States will continue closely monitoring the status of the draft regulation and urging Mexico to ensure the final measure is aligned with Mexico's USMCA obligations.

Local Specific Absorption Testing Requirements

In 2020, Mexico's former telecommunications regulator, the Federal Telecommunications Institute (IFT) published regulations that required in-country testing for Specific Absorption Rates (SARs) and referenced out-of-date standards from the International Electrotechnical Commission/Institute of Electrical and Electronics Engineers and the International Commission on Non-Ionizing Radiation Protection. The requirements included duplicative testing and caused delays, because Mexico has a limited number of accredited facilities able to perform the required tests. After years of engagement, in October 2025, Mexico updated the scope of the [Mutual Recognition Agreement \(MRA\) between the Government of the United States of America and the Government of the United Mexican States for Conformity Assessment of Telecommunications Equipment](#) to cover the SARs regulation, which addresses the concerning in-country testing requirements. Mexico also included two additional regulations within the scope of the MRA. The United States will continue to work with Mexico, including its new telecommunications regulator (Telecommunications Regulatory Commission [CRT]), to ensure that U.S. conformity assessment bodies are designated to test telecommunications equipment to this regulation.

Standards for Rail Safety Traffic Systems

In May 2024, Mexico published three new proposed standards requiring the use of European standards, instead of international or North American standards, for signaling, dispatch systems, and electrical subsystems for passenger rail. Operators must comply to avoid regulatory penalties, reinforcing the binding nature of standards for railway safety. U.S. stakeholders have expressed concerns that Mexico's adoption of European standards may create obstacles to future integration of new and existing rail lines—and therefore economic activity, in the broader North American system. In July 2025, a U.S. railcar manufacturer confirmed that it sold freight locomotives to the Tren Maya project that comply with U.S. standards and that an integrator would be responsible for integrating it to the European system. In October 2025, Mexico's Regulatory Agency for Railway Transport published a public tender on Mexico's digital public procurement platform (Compras MX) for passenger railcars specifically requiring the European standards.

Good Manufacturing Practices for Medical Devices

In 2025, Mexico finalized Mexican Official Standard, NOM-241-SSA1-2025: Good Manufacturing Practices for Medical Devices (NOM-241). The measure only partially recognizes international standard ISO 13485 for requirements related to quality management systems of a medical device. Mexico also issued accompanying guidelines that state that it will recognize compliance through certain equivalence documents, including ISO 13485 and Medical Device Single Audit Program (MDSAP) certificates, only for products intended for export out of Mexico. Although Mexico issued a binding policy statement to address the inconsistent policy in the accompanying guidelines, the United States continues to urge Mexico to amend NOM-241 to eliminate the ambiguity by clarifying that Mexico fully recognizes MDSAP and ISO 13485 certificates for compliant medical devices, regardless of the intended market. As a positive step, Mexico included NOM-241 in its 2026 National Quality Infrastructure Program, published in February 2026, signifying its intent to amend NOM-241 in the coming year.

Sanitary and Phytosanitary Barriers

Fresh Potatoes

Since 2003, the United States has sought access for fresh potatoes to all of Mexico, beyond a 26-kilometer zone along the U.S.–Mexico border outside of which imports were not permitted. In April 2021, the Supreme Court of Mexico affirmed the authority of Mexico's regulatory agency to expand access for U.S. fresh potatoes. Subsequently, in 2021, Mexico completed the regulatory steps necessary for access for U.S. fresh potatoes to cities with populations over 100,000 people. In May 2022, the United States began shipping fresh potatoes to Mexico beyond the 26-kilometer zone. The U.S. potato industry has raised concerns with the Mexican potato industry's attempts to restrict access. The United States is monitoring the situation to ensure transparent and predictable access for U.S. exporters and that requirements are based on science.

Products of Agricultural Biotechnology

Mexico's Biosafety Law requires COFEPRIS to decide on a complete application for authorization covering the importation and sale of genetically engineered (GE) products within six months of receipt. The United States has expressed serious concerns that certain decisions on applications were subject to significant delays.

On February 13, 2023, the Mexican Government published a decree that banned the use of GE corn in tortillas and dough and instructed Mexican Government agencies to gradually substitute—*i.e.*, restrict and

eventually ban—the use of GE corn in all products for human consumption and for animal feed. On August 17, 2023, the United States established a USMCA dispute settlement panel challenging the aforementioned measures reflected in Mexico’s February 13, 2023 decree on the basis that these measures were not based on science and undermined the market access Mexico agreed to provide in the USMCA. In December 2024, a final panel report was published, in which the panel agreed with all the U.S. legal claims under the USMCA. On February 5, 2025, Mexico published a measure declaring ineffective the measures that the United States successfully challenged in the USMCA dispute. The United States will continue to closely monitor Mexico’s compliance with its USMCA commitments to ensure that Mexico’s agricultural biotechnology measures are based on science and provide U.S. corn growers the market access that Mexico agreed to provide in the USMCA.

GOVERNMENT PROCUREMENT

Mexico is not a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement. Mexico has binding international procurement obligations under the USMCA.

Medical Procurement Requirements

As of January 1, 2026, Mexican procurement authorities will award additional points in the procurement process to suppliers that (i) invest in Mexico’s domestic production chain of medicines, health supplies, and medical devices, (ii) install related infrastructure (factories, laboratories, warehouses) in Mexico, or (iii) develop scientific research or innovative products in Mexico. This potentially disadvantages U.S. healthcare companies, and the United States will continue to closely monitor implementation of this measure to ensure it is aligned with Mexico’s USMCA government procurement commitments.

INTELLECTUAL PROPERTY PROTECTION

Mexico was listed on the Priority Watch List in the [2025 Special 301 Report](#). Obstacles to U.S. trade in intellectual property (IP) intensive goods and services include the wide availability of pirated and counterfeit goods, via both physical and online markets. As broadband access increases so has online piracy, and stakeholders report that Mexico has one of the highest rates of music and video game piracy in the world. Overall criminal enforcement of IP rights, including online, continues to be characterized by weak coordination among federal, state, and municipal officials; limited resources for prosecutions; the lack of sustained investigations targeting suppliers of counterfeit and pirated goods and services; and the lack of sufficient penalties to deter violations. Brand owners also face bad faith trademark registrations, making it important for companies to register their trademarks early. Moreover, right holders continue to express concern about the length of administrative and judicial patent and trademark infringement proceedings and the persistence of continuing infringement while cases remain pending. Although Mexican authorities have conducted some IP enforcement raids against markets across Mexico, the markets of Tepito in Mexico City and Mercado San Juan de Dios and Barrio El Santuario in Guadalajara continue to flourish and are listed in the [2025 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) for selling pirated and counterfeit goods.

With respect to geographical indications (GIs), Mexico and the European Union (EU) concluded negotiations on a free trade agreement in which Mexico agreed to protect hundreds of names for foodstuffs, wines, and beers. The United States remains concerned about the EU practice of negotiating product-specific IP outcomes as a condition of market access and reiterates the importance of each individual IP right being evaluated on its individual merit in Mexico. In a USMCA side letter, Mexico confirmed that market access of U.S. products is not restricted in Mexico due to the mere use of certain individual cheese

terms. Mexico has a *sui generis* system of protection for GIs that includes certain elements aimed at improving and respecting due process and transparency.

In 2020, Mexico enacted a new Federal Law for the Protection of Industrial Property and amended its Federal Copyright Law and Federal Criminal Code with a view to complying with various provisions of the USMCA and strengthening IP protection. Mexico is still in the process of drafting regulations for both the Federal Law for the Protection of Industrial Property and the Federal Copyright Law amendments, and the lack of regulations is creating uncertainty for the creative and innovative sectors looking to protect and enforce their IP.

SERVICES BARRIERS

Electronic Payment Services

The United States continues to closely monitor Mexico's implementation of its USMCA commitments related to cross-border trade in electronic payment services (EPS). Mexico's existing policy framework limits the ability of U.S. EPS suppliers to provide their complete suite of value-added services on a cross-border basis, including fraud protection, and differentiate themselves in the marketplace. On September 14, 2023, Mexico's competition authority at the time, the Federal Economic Competition Commission (COFECE), identified barriers to competition in the card payment processing market and issued recommendations to Mexico's Central Bank (Banxico) and the National Commission for Banking and Securities (CNBV) to restore conditions for competition. These recommendations have not been implemented.

On October 24, 2025, the CNBV and Banxico published draft regulations on card payment networks and on December 30, 2025, Banxico published draft clearinghouse regulations for public consultation. These draft regulations did not resolve the barriers that COFECE identified nor did they respond to U.S. stakeholder input regarding impediments to U.S. EPS suppliers in processing domestic transactions cross border using their own proprietary networks and utilizing their own technical standards. On February 11, 2026, CNBV withdrew the draft regulations on card payment networks to "conduct thorough and in-depth market analysis" and to consider comments provided during the public consultation period. Banxico did not withdraw the draft clearinghouse regulations. To resolve this issue, Mexico should further revise the draft regulations on card payment networks and clearinghouses before finalizing the regulations. The United States continues to urge Mexico to facilitate a competitive market for U.S. electronic payment service suppliers.

CNBV and Banxico issued regulations in 2021 relating to the use of cloud service suppliers by electronic payment fund institutions. The United States continues to be concerned by the length, complexity, and uncertainty of the approval process for electronic payment fund institutions that seek to use secure, U.S.-based cloud computing services, raising questions about the extent to which the approvals are tacitly being conditioned on using local computing facilities.

Telecommunications Services

Notwithstanding Mexico's reforms to its telecommunications sector in 2013 and 2014, new market participants must still compete with the traditional dominant supplier, which Mexico's Federal Telecommunications Institute (IFT), the former telecommunicators regulator, had designated as a "preponderant economic agent." On October 17, 2025, Mexico eliminated the IFT and established the Telecommunications Regulatory Commission (CRT) as the country's telecommunications regulator. The CRT is an administrative body within Mexico's new Digital Transformation and Telecommunications

Agency (ATDT) under the Executive Branch. It is important that the new CRT continue to enforce existing asymmetric measures and take necessary additional action to address the dominant supplier's status as a preponderant economic agent and promote competition in the telecommunications sector in Mexico. In addition, whereas the IFT was an autonomous entity in the Mexican regulatory system, the CRT is part of the ATDT, situated within the Executive Branch. The United States will be closely monitoring the CRT to ensure that it remains independent and does not discriminate in favor of Mexico's state-owned enterprises operating in the telecommunications sector.

The cost of spectrum in Mexico is one of the highest in Latin America. Although Mexico assigns spectrum licenses through competitive auctions, it imposes a substantial annual fee based on the amount of spectrum held by each licensee. This approach is out of sync with international best practices. The structure of Mexico's annual spectrum fee may advantage the dominant supplier and led another supplier to return all of its awarded spectrum to the Mexican Government. The Mexican Government dismissed several proposals from the IFT and the private sector to lower spectrum costs. The United States continues to press Mexico to consider changes to its rules that would lower overall costs for spectrum and address the market power of the dominant supplier.

INVESTMENT BARRIERS

Energy Sector

Mexican energy policy is centered on reinstating the primacy of its state-owned electric utility, Federal Electricity Commission (CFE), and state-owned oil and gas company, Mexican Petroleum (PEMEX). Since 2018, Mexico has undertaken many measures to achieve this aim, culminating in the October 2024 ratification of a constitutional amendment to reclassify CFE and PEMEX as "public enterprises" rather than "productive enterprises" in order to limit the participation of private companies in Mexico's energy market. In March 2025, Mexico published a reform package of new energy laws implementing this constitutional amendment and other measures, which include as a principle a guarantee of CFE's prevalence and its maintenance of at least 54 percent of the average electricity sent to the grid, require CFE ownership of at least 54 percent in any "mixed investment" electricity generation projects, and set out a preference for CFE over private entities in electricity generation and marketing.

Additionally, private companies operating in Mexico are often unable to participate effectively, if at all, in Mexico's energy sector due to frequent delays, unexplained or unjustified rejections, and inaction regarding applications for new permits or permit modifications. Unexplained or unjustified suspensions or revocations of existing permits, as well as other impediments, undermine private companies' ability to operate energy facilities, import or export electricity or fuel, store or transload fuel, and build or operate retail fuel stations. In 2025, Mexico disbanded its energy regulatory agency and established a new agency—the National Energy Commission (CNE)—under the supervision of SENER, further centralizing decision-making authority under SENER.

Moreover, in October 2025, Mexico published implementing regulations for the Hydrocarbons Sector Law that prohibit certain fuel transloading activities, which decreases logistical flexibility and increases operating costs for U.S. companies, unfairly favoring PEMEX. Changes to the regulations also impose new restrictions for fuel permits, reduce the term for new import permits from 20 years to five years, and reduce the term for commercialization permits from 30 years to 2 years. These regulatory changes do not apply to PEMEX. U.S. stakeholders have also raised concerns about draft regulations previewed in December 2025 that would have placed restrictions on the ability of independent power producers to sell their output and granted CFE the option to acquire the assets at no cost. The status of the proposed rules

remains unclear, and the United States continues to closely monitor ongoing developments on potential reforms.

Over the last two years, U.S. companies supplying the Mexican oil and gas sector have reported an unprecedented challenge with receiving payment from PEMEX for services rendered. As of December 31, 2025, while some U.S. companies have received full or partial payment, others continue to report overdue payments that total over \$2.5 billion.

Mining Sector

The Mexican Government passed legislation in April 2022 amending the national mining law to establish greater state control over the country's lithium resources. The amendments place the exploration, exploitation, and utilization of Mexico's lithium under the exclusive control of a state-owned company, LitoMx, and exclude private companies from concessions, licenses, contracts, permits, and authorizations to undertake those activities. The amendments also authorize the government to declare other minerals as "strategic resources" that would allow greater state control in the future. As of December 31, 2025, the Mexican Government was still drafting implementing measures for the amendments.

Restricted Sectors

Mexico restricts foreign investment in certain sectors under the Foreign Investment Law. Certain sectors, such as transportation infrastructure, are entirely closed to foreign investment. Foreign ownership is capped at 49 percent for express delivery companies and land for agricultural, livestock, and forestry purposes, as well as for port administration services.

OTHER NON-MARKET POLICIES AND PRACTICES

Mexico does not impose sufficient measures against non-market policies and practices (NMPPs) in order to insulate the U.S. and Mexican markets from distortions and ensure a fair and secure trading relationship. Mexico has not yet made sufficient commitments to address distortions caused by such NMPPs but continues to work on this issue, including in the USMCA Joint Review.

However, Mexico has taken certain limited actions to address NMPPs. For example, on January 1, 2026, Mexico imposed tariffs of up to 50 percent on a list of 1,465 products from countries with which it does not have a free trade agreement. Mexico also participates in the Global Forum on Steel Excess Capacity, which is dedicated to developing and implementing collective solutions to address global excess capacity and enhance market function in the steel sector.

LABOR

The United States has concerns about Mexico's law regarding the protection of internationally recognized labor rights, in particular with respect to freedom of association and the effective recognition of the right to collective bargaining. The United States also has concerns with respect to labor law enforcement. Mexico adopted a measure intended to stop the importation of products produced using forced labor ("Agreement establishing the goods whose importation is subject to regulation by the Ministry of Labor and Social Welfare" of February 17, 2023). However, it does not appear that Mexico is effectively enforcing its forced labor import prohibition, meaning goods made with forced labor may be able to enter and compete in Mexico's market. Together, these issues may artificially suppress costs, including labor costs, giving certain goods and services from Mexico an unfair advantage.

In addition, U.S. Department of Homeland Security Customs and Border Protection (CBP) maintains two active Withhold Release Orders (WROs) against Mexican entities. On January 29, 2026, CBP issued a WRO against coffee produced in Mexico by Finca Monte Grande, based on information that reasonably indicates the use of forced labor. Since October 21, 2021, CBP has maintained a WRO against fresh tomatoes produced in Mexico by Agropecuarios Tom S.A. de C.V., Horticola Tom S.A. de C.V., and their subsidiaries based on information reasonably indicating the use of forced labor.

ENVIRONMENT

Illegal, Unreported, and Unregulated Fishing

Illegal, unreported, and unregulated (IUU) fishing by Mexican fishing vessels undermines conservation efforts, distort trade, and threaten the livelihoods of law-abiding U.S. fishers. Mexican fishing vessels, often linked to transnational criminal organizations, routinely cross into U.S. waters in the Gulf of America to harvest fish stocks that are regulated by the United States, including red snapper, grouper, and shark. This illegal activity not only depletes U.S. fish stocks and causes ecological harm but also depresses prices, and reduces returns for U.S. fishermen and seafood producers. Illegal fishing in the Upper Gulf of California significantly increases the risk of bycatch of the critically endangered vaquita porpoise and drives the black-market trade in totoaba swim bladders, which are known to be traded in exchange for fentanyl precursor chemicals.

In 2025, U.S. fish imports from Mexico totaled \$646.9 million, with \$60.2 million in snapper alone, yet illegal imports are often sold well below market value, further depressing the Gulf Coast red snapper market. Mexico's failure to deter IUU fishing in the U.S. Exclusive Economic Zone places U.S. industry at a competitive disadvantage and undermines certain environmental and trade commitments in the USMCA.

Illegal Logging and Associated Trade

Trade in illegally harvested timber puts U.S. companies that comply with environmental laws at an unfair disadvantage, funds transnational criminal organizations, and harms the environment and local communities. Illegal logging also depresses global wood prices, potentially further disadvantaging U.S. producers. Stakeholders have expressed concerns about illegally harvested timber from-or transported through-Mexico, driven by weak enforcement of environmental laws, a lack of effective and enforceable import controls, and widespread corruption. Mexico legally produces around one-third of the wood it consumes; the rest of its domestic demand is met by illegally harvested domestic timber or imports. Despite some progress under a voluntary state-led initiative in the leading avocado producing state of Michoacán to certify deforestation-free avocado orchards exporting to the United States, some avocado producers in Mexico have expanded avocado production to illegally deforested lands. Certain reports estimate that 30 percent to 70 percent of timber harvested in Mexico is of illegal origin.