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**Committee on Subsidies and
Countervailing Measures**

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SUBSIDIES**NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF
THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON
SUBSIDIES AND COUNTERVAILING MEASURES****MEXICO**

The following communication, dated and received on 17 December 2021, is being circulated at the request of the delegation of **Mexico**.

The attached notification from the United Mexican States contains information on programmes granted or maintained in Mexico between 2019 and 2020.

In accordance with Article 25.7 of the Agreement on Subsidies and Countervailing Measures (SCM), this notification does not prejudice, under the GATT 1994 and the SCM Agreement: (i) the legal status of the notified programmes; (ii) their effects; or (iii) the nature of the programmes themselves.

Data may reflect approximations, estimates or preliminary information. In the event of any discrepancy between this notification and the legal instruments on which the programmes are based, the information contained in the latter shall prevail.

The notification obligation is a transparency-oriented provision that, in conformity with Article 25.7 of the SCM Agreement, carries no legal weight as to the actual identification or measurement of a subsidy, its status as an actionable subsidy or its trade effects. In this notification, the United Mexican States have included certain activities that may not (or may not always) constitute "specific subsidies" within the meaning of the Agreement.

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I. FISHERIES AND AQUACULTURE SECTOR

A. Programme for the Promotion of Fisheries and Aquaculture Productivity

1. Title

Programme for the Promotion of Fisheries and Aquaculture Productivity.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

The aim of the Programme is to contribute to the availability of aquaculture and fisheries products by increasing output within a framework of sustainability. It seeks to improve the productivity of economic units in the fisheries and aquaculture sector through the provision of incentives in respect of output, value added, marketing and the promotion of consumption.

4. Background and authority

General Law on Sustainable Fisheries and Aquaculture, Articles 1 and 17; Law on Sustainable Rural Development, Articles 4 and 188; Rules of Operation of the Programmes of the Ministry of Agriculture and Rural Development for the 2019 financial year.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the fishermen and women and aquaculturists designated as active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register (RNPA). The population receiving the support must:

- a. Engage in their activity under a valid fisheries or aquaculture permit or concession;
- b. Have registered output in the past, except for newly established units;
- c. Have transceiver equipment compatible with the satellite-based tracking and monitoring system, where applicable, in accordance with Mexican Official Standard NOM-062-PESC-2007;
- d. Have an Aquatic Fauna Exclusion System (SEFA), where applicable, in accordance with Mexican Official Standard NOM-074-SAG/PESC-2014;
- e. Be aware of their obligations in relation to the Ministry of Agriculture and Rural Development (SADER);
- f. Not be in receipt of incentives from other government bodies that could entail duplication of support;
- g. Comply with their tax obligations;
- h. Meet the criteria and specific requirements laid down in the Rules of Operation.

7. Total amount

A breakdown of the amount of the subsidies provided under this programme in 2019 is given below:

**Subsidies provided under the Programme for the Promotion of Fisheries
and Aquaculture Productivity, 2019**

Financial year 2019	
Programme and component	Amount (MXN million)
Aquaculture development	156.1
Promotion of consumption	32.4
Capitalization incentive	1,095.3
Fisheries and aquaculture management and surveillance	20.1
Fisheries and aquaculture production packages	57.6
Total	1,361.5

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate the trade effects, if any, resulting from the use of these subsidies. It should be noted that the components concerning management and surveillance; the promotion of consumption of fisheries and aquaculture products; and innovation, education and research have no effect on output in the sector and thus do not have trade-distorting effects. Subsidies under the fisheries capitalization and aquaculture development components chiefly support the procurement of production inputs; however, the end effect on production, and therefore trade, has not been estimated.

B. Programme for the Promotion of Agriculture, Livestock, Fisheries and Aquaculture

1. Title

Programme for the Promotion of Agriculture, Livestock, Fisheries and Aquaculture.

2. Period covered by the notification

2020.

3. Policy objective and/or purpose

The aim of the Programme and its components is to promote small and medium-scale primary activities that contribute to food self-sufficiency and saving the countryside, and the fishing and aquaculture activities of small-scale producers through support for aquaculture welfare and genetic resources.

4. Background and authority

General Law on Sustainable Fisheries and Aquaculture, Articles 1 and 17; Law on Sustainable Rural Development, Articles 4 and 188; Rules of Operation of the Programmes of the Ministry of Agriculture and Rural Development for the 2020 financial year.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the fishermen and women and aquaculturists designated as active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register (RNPA).

The amount of support for the component of Support for the Well-being of Fishermen and Women and Aquaculturists (BIENPESCA) will be MXN 7,200.00 (seven thousand two hundred pesos) per beneficiary on a one-off or annual basis, to be disbursed in one or more instalments, and subject to budgetary availability. Beneficiaries must:

- a. Engage in their activity under a valid fisheries or aquaculture permit or concession.
- b. Be on the List of Fisheries and Aquaculture Producers, which may be updated in the specific computer system for the component of Support for the Well-being of Fishermen and Women and Aquaculturists.

Aquaculture Genetic Resources consists of the delivery of oyster seed, trout fry, tilapia fry, and shrimp post-larvae, in accordance with the maximum quantities and criteria established in the current rules of operation:

- a. Be listed in the National Fisheries and Aquaculture Register (RNPA) or be a member of an aquaculture production unit (UPA) that is.
- b. Ensure that aquaculture activities in waters under federal jurisdiction are carried out under a valid fisheries or aquaculture permit or concession.
- c. Have registered output in the past, except for newly established units.
- d. Have an Aquatic Fauna Exclusion System (SEFA), where applicable, in accordance with NOM-074-SAG/PESC-2014.
- e. Be aware of their obligations in relation to the Ministry, in accordance with these rules of operation.
- f. Comply with their tax obligations, in accordance with the applicable regulations.
- g. If applicable, write a letter under oath stating that they have the necessary infrastructure at their tax domiciles and/or specific places of business to enable them to use the support for its authorized purposes.
- h. Not be included in the "Directory of natural and/or legal persons that lose their right to receive support", under the responsibility of the Ministry of Agriculture and Rural Development (SADER).

7. Total amount

Financial year 2020: MXN 1,483.1 million.

8. Duration

On an annual basis.

The Programme began to operate under this name in 2020 but existed prior to this as the Programme for the Promotion of Fisheries and Aquaculture Productivity, which dates back to 2014.

9. Trade effects

It is not possible to estimate the trade effects, if any, resulting from the use of these subsidies. Both components have no effect on output in the sector and thus do not have trade-distorting effects.

C. Modernization of large vessels**1. Title**

Modernization of Large Vessels Engaged in the Long-Line Fishing of Shrimp, Squid, Marine Fish with Scales, Sardines, Octopus, Shark and Tuna.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To contribute to the modernization of large fishing vessels in order to improve their productivity and enable them to operate more efficiently as a result of a higher technical specification that incorporates modern ship-building and equipment designs, and to ensure that catches and navigation are performed safely and efficiently.

4. Background and authority

Agreement notifying the general provisions applicable to the Rules of Operation and Guidelines of the Programmes of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units¹ in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

The support is provided following a classification process under which projects are evaluated and prioritized by vessel in accordance with technical profitability criteria and public policy priorities, specifically in relation to disadvantaged potential beneficiaries.

The amount granted is up to 50% of the cost subject to a maximum of MXN 1,000,000.00 (one million pesos) per vessel. The support is cumulative, subject to the maximum amount allowed per vessel.

7. Total amount

Financial year 2019: MXN 72 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

¹ Economic unit - A natural or legal person engaged in fisheries and/or aquaculture activities that is linked to the production unit under a valid fisheries and/or aquaculture permit or concession.

D. Modernization of small vessels

1. Title

Modernization of small vessels.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To provide support to replace engines and vessels and to procure on-board product-storage and satellite equipment in order to reduce operating costs, optimize fuel consumption, minimize levels of environmental pollution, increase profitability, and contribute to safeguarding human life at sea.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

The National Aquaculture and Fisheries Committee (CONAPESCA) provides this support to economic units engaged in fisheries activities under a valid fisheries permit or concession that need to replace an engine or small vessel or purchase satellite or product-storage equipment.

The amount granted to small vessels is up to 50% of the total cost of the asset to be purchased. In the event that state and/or municipal governments participate, their contribution must be 30% of the total cost of the asset purchased in respect of engines, vessels and chillers; for satellite and radiocommunications equipment, the amount provided may be up to MXN 3,000.00 (three thousand pesos).

7. Total amount

Financial year 2019: MXN 59.2 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

E. Projects and studies

1. Title

Projects and studies.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To support fishery and aquaculture-related infrastructure projects and studies that help to increase the capitalization of economic units, improve the sustainable management of fisheries output, collection and storage, and ensure safety during berthing and landing manoeuvres.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

The support is provided as a result of a classification process under which projects are evaluated and prioritized by vessel in conformity with technical criteria and public policy priorities, specifically in relation to municipalities that are highly or very highly marginalized.

7. Total amount

Financial year 2019: MXN 81.6 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

F. Marine diesel

1. Title

Marine diesel.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To widen the operating margins for producers with large vessels and/or aquaculture facilities through the purchase of energy at preferential prices.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Compensatory support.

6. To whom and how assistance is provided

The target population are the active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

Support to purchase energy at preferential prices is channelled towards the earning assets (fishing vessels, mariculture facilities, aquafarms and laboratories) linked to the economic units that are on the 2018 list of beneficiaries.

The amount provided varies subject to a maximum of MXN 2.00 (two pesos) per litre of marine diesel, with an upper limit of 1.5 million litres per production unit.

7. Total amount

Financial year 2019: MXN 383.2 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

G. Coastal gasoline

1. Title

Coastal gasoline.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To widen the operating margins for coastal fisheries producers through the purchase of energy at preferential prices.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Compensatory support.

6. To whom and how assistance is provided

The target population are the active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

Support to purchase energy at preferential prices is channelled towards the earning assets (fishing vessels, mariculture facilities, aquafarms and laboratories) linked to the economic units that are on the 2018 list of beneficiaries.

The amount provided varies subject to a maximum of MXN 2.00 (two pesos) per litre of coastal gasoline, with an upper limit of 10 thousand litres per vessel.

7. Total amount

Financial year 2019: MXN 104.3 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

H. BIENPESCA

1. Title

BIENPESCA.²

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

To offset the low annual income of fishermen and women and aquaculturists during periods of low productivity, closed seasons or climate events through training activities to boost the sector's productivity.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

Agreement notifying the Rules of Operation of the Programme for the Promotion of Agriculture, Livestock, Fisheries and Aquaculture of the Ministry of Agriculture and Rural Development for the financial year 2020.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

Direct economic support to coastal fishermen and women, inland fishermen and women, crews of large vessels and operatives at aquaculture production units who are associated with active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

² Formerly known as PROPESCA.

Training workshops for coastal fishermen and women, inland fishermen and women, crews of large vessels and operatives at aquaculture production units whose activities are temporarily restricted by a Government Fisheries Regulation or by the declaration by the competent authority of a natural event that drastically affects production.

The amount provided is MXN 7,200.00 (seven thousand two hundred pesos) per applicant per financial year.

7. Total amount

Financial year 2019: MXN 360.7 million.

Financial year 2020: MXN 1,393.4 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

I. Capacity-building

1. Title

Capacity-building.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To build the capacity of producers associated with the national fisheries and aquaculture sector in order to further their human, production-related, commercial, financial and technological development.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

CONAPESCA provides this support to economic units in the fisheries and aquaculture sector and Product System Committees that need incentives to further their productive and commercial integration.

Support is provided through workshops and courses and/or attendance-based theoretical and practical training; up to MXN 60,000.00 (sixty thousand pesos) is provided per specialist course, and up to MXN 250,000.00 (two hundred and fifty thousand pesos) per regional specialist course. In terms of comprehensive technical assistance, up to MXN 150,000.00 (one hundred and fifty thousand pesos) is provided where at least five economic units are involved to cover a period of three to six months.

7. Total amount

Financial year 2019: MXN 3.8 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

J. Rural aquaculture

1. Title

Rural aquaculture.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To provide support, in conjunction with state governments, to producers in highly and very highly marginalized municipalities in the form of: infrastructure and equipment, mainly growing systems, cages, vats, ponds, pumps, aerators, filters, parameter-measuring equipment, feeders and hatchlings.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

Up to 80% will be provided subject to a maximum of MXN 500,000.00 (five hundred thousand pesos) for infrastructure and equipment, and for hatchlings; the additional 20% will be contributed by the beneficiary.

The resources will be administered with state governments through the Support Fund for the State Rural Aquaculture Programme.

7. Total amount

Financial year 2019: MXN 20.8 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

K. Greater productivity in reservoirs

1. Title

Greater productivity in reservoirs.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To provide support to projects to improve productivity in reservoirs, including in the form of: product storage equipment (thermal containers, freezers) and supplies of hatchlings for restocking purposes.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

Support is provided as follows in the light of a project assessment based on criteria intended to improve productivity in reservoirs: up to 80%, subject to a maximum of MXN 80,000.00 (eighty thousand pesos), where a further 20% is contributed by the beneficiary; up to MXN 1,600,000.00 (one million six hundred thousand pesos) for catfish, carp or tilapia hatchlings.

It should be noted that only one application for support can be supported per reservoir.

7. Total amount

Financial year 2019: MXN 7.9 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

L. Commercial aquaculture in inland waters

1. Title

Commercial aquaculture in inland waters.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To promote the start-up of industrial-scale aquaculture businesses in order to unlock the country's hydrological potential.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

The amounts of support awarded for infrastructure, equipment and facilities account for up to 50% of the value of the investments to be made, subject to a maximum of MXN 5,000,000.00 (five million pesos); for projects involving trout and tilapia, up to 70% of the value of investments will be provided.

For newly created projects, up to 50% of the value of investments will be supported, subject to a maximum in all cases of MXN 2,500,000.00 (two million five hundred thousand pesos).

In respect of technical assistance, up to 50% will be provided, subject to a maximum of MXN 200,000.00 (two hundred thousand pesos).

7. Total amount

Financial year 2019: MXN 22.5 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

M. Mariculture

1. Title

Mariculture.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To promote mariculture through production infrastructure (mainly ponds, cages, suspended culture systems, headlines, strings, floating storage facilities, gear fixed to the substrate, etc.), the use of aquaculture equipment such as pumps, aerators, filters, parameter-measuring equipment and feeders, and the provision of specialist technical assistance and support and/or advice from a duly identified specialist technical officer.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

The amounts of support provided for infrastructure, equipment and facilities cover up to 50% of the value of investments, subject to a maximum of MXN 5,000,000.00 (five million pesos), while support for technical assistance covers up to 50% of the value of investments, subject to a maximum of MXN 200,000.00 (two hundred thousand pesos).

7. Total amount

Financial year 2019: MXN 53.7 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

N. Procurement of biological resources

1. Title

Procurement of biological resources.³

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To provide support for the procurement of biological inputs including post-larvae, seed, fry and juveniles.

³ Previously "procurement of biological inputs".

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

In order to provide support, an assessment is conducted and approval given to investment projects that state the number of organisms and species of fish fry to be purchased and the current market value of these inputs.

7. Total amount

Financial year 2019: MXN 48.9 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

O. Fisheries management projects

1. Title

Fisheries management projects.⁴

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To encourage compliance with sustainability standards in the exploitation of fisheries resources by introducing new management schemes and specific handling measures for each fisheries activity, and establishing and/or boosting surveillance schemes in cooperation with fisheries producers.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

⁴ Previously "fisheries and aquaculture management projects".

6. To whom and how assistance is provided

CONAPESCA provides this support to economic units in the fisheries sector that engage in fisheries activities under a valid concession or permit, and to educational and research institutions, civil society bodies or associations, and legally established public entities that help to increase the production of goods and services associated with the fisheries sector within a framework that fosters sustainability.

With a view to receiving this support, projects are drawn up to implement measures in the fields of coastal management, management of fisheries in optimum use, management of fisheries with development potential, fisheries resource recovery management, fisheries refuges, and the recovery of abandoned, lost and discarded fishing gear.

Up to MXN 10,000,000.00 (ten million pesos) will be provided per project.

7. Total amount

Financial year 2019: MXN 10.5 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

P. Aquaculture management projects

1. Title

Aquaculture management projects.⁵

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To encourage compliance with sustainability standards in the exploitation of aquaculture resources by introducing new management schemes and specific handling measures for each aquaculture activity, and establishing and/or boosting surveillance schemes in cooperation with aquaculture producers.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

⁵ Previously "fisheries and aquaculture management projects".

6. To whom and how assistance is provided

CONAPESCA provides this support to economic units in the aquaculture sector that engage in fisheries activities under a valid concession or permit, and to educational and research institutions, civil society bodies or associations, and legally established public entities that help to increase the production of goods and services associated with the fisheries sector within a framework that fosters sustainability.

With a view to receiving this support, projects are drawn up at local, state or regional level to implement measures in the field of aquaculture management. Up to MXN 3,000,000.00 (three million pesos) will be provided per project.

7. Total amount

Financial year 2019: MXN 1.9 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

Q. Reduction of the fishing effort

1. Title

Reduction of the fishing effort.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To contribute to the conservation and sustainable use of fisheries resources through the voluntary decommissioning of vessels that are part of the commercial fleet.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

CONAPESCA provides this support to natural and/or legal persons that, either individually or collectively, engage in commercial fishing on the high seas with large vessels under a valid fisheries concession or permit.

The support is provided as a result of the beneficiary voluntarily surrendering the valid commercial fisheries concession or permit to CONAPESCA for cancellation and breaking up the vessel to be decommissioned. The assistance provided amounts to MXN 1,300,000.00 (one million three hundred thousand pesos).

7. Total amount

Financial year 2019: MXN 0.0 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

R. Regulatory compliance and enforcement

1. Title

Regulatory compliance and enforcement.⁶

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To support regulatory compliance and enforcement measures as part of the coordinated strategy endorsed by the production sector, with a view to safeguarding fisheries and aquaculture resources and preventing offences, especially in overfished and restocked areas.

4. Background and authority

Agreement notifying the general provisions applicable to the Rules of Operation and Guidelines of the Programmes of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

The support is provided through joint projects to implement inspection and surveillance measures. Natural persons may be awarded up to MXN 2,000,000.00 (two million pesos), and legal persons up to MXN 6,000,000.00 (six million pesos).

7. Total amount

Financial year 2019: MXN 7.2 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

⁶ Previously "inspection and surveillance measures".

S. Actions to promote consumption**1. Title**

Actions to promote consumption.⁷

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To increase the consumption of fisheries and aquaculture products by implementing comprehensive measures that promote fisheries and aquaculture foodstuffs, and to improve the performance of Product System Committees for Aquaculture and Fisheries through mechanisms for planning, communications and ongoing cooperation between the economic stakeholders involved in implementing rural development policies, plans and programmes.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are economic units in the fisheries and aquaculture sector, educational and research institutions, civil society bodies or associations, and legally established public entities in the fisheries and aquaculture sector that contribute to the implementation of measures to promote consumption.

The support is provided through projects agreed with the CONAPESCA-appointed implementing body that provide for measures related to comprehensive campaigns to promote consumption, market surveys, the diagnosis and monitoring of consumption and nutritional analysis, regional, national and international events and fairs to promote fish and seafood consumption, and the dissemination of printed, digital and audiovisual material, together with information, teaching and publicity materials.

7. Total amount

Financial year 2019: MXN 11.2 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

⁷ Previously "comprehensive promotion campaigns".

T. Development of production chains

1. Title

Development of production chains.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To increase the consumption of fisheries and aquaculture products by implementing comprehensive measures that promote fisheries and aquaculture foodstuffs, and to improve the performance of Product System Committees for Aquaculture and Fisheries through mechanisms for planning, communications and ongoing cooperation between the economic stakeholders involved in implementing rural development policies, plans and programmes.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The target population are the active economic units in the fisheries and aquaculture sector that are listed in the National Fisheries and Aquaculture Register.

The support is provided in the form of payment for professional services and advice to support the production chain; it also covers transport costs and subsistence allowances for Product Systems representatives and operational staff; studies, projects and certification; and the establishment of business services centres, consortia and marketing companies.

7. Total amount

Financial year 2019: MXN 8.1 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

U. Product processing and marketing

1. Title

Product processing and marketing.⁸

⁸ Previously "processing, development and marketing of fisheries and aquaculture products".

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

To increase the consumption of fisheries and aquaculture products by implementing comprehensive measures that promote fisheries and aquaculture foodstuffs, and to improve the performance of Product System Committees for Aquaculture and Fisheries through mechanisms for planning, communications and ongoing cooperation between the economic stakeholders involved in implementing rural development policies, plans and programmes.

4. Background and authority

Agreement notifying the Rules of Operation of the Programme for the Promotion of Fisheries and Aquaculture Productivity of the Ministry of Agriculture and Rural Development for the financial year 2019.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

The support is aimed at economic units in the fisheries and aquaculture sector and Product System Committees that need incentives to further their productive and commercial integration.

The incentive is provided through projects agreed with the CONAPESCA-appointed implementing body and relates to equipment for product-processing, ice-making, refrigeration, freezing and point-of-sale activities.

7. Total amount

Financial year 2019: MXN 12.9 million.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions.

V. Aquaculture genetic resources

1. Title

Aquaculture genetic resources.

2. Period covered by the notification

2019.

3. Policy objective and/or purpose

The overall objective is to increase productivity in the fisheries and aquaculture sector within a framework of sustainability, seeking to reduce social inequality gaps.

The specific objective of the component is to support research and technology transfer entities in characterizing and preserving aquaculture genetic lines, and in expanding and strengthening the production infrastructure for biological inputs.

4. Background and authority

Decree laying down the 2019 Declaration on Priority Attention Zones, published in the Official Journal of the Federation on 28 December 2018. Article 17 of the General Law on Sustainable Fisheries and Aquaculture sets out the principles for the formulation and implementation of the National Policy on Sustainable Fisheries and Aquaculture. Programme structure of the Ministry of Agriculture and Rural Development for 2019, which includes the Programme for the Promotion of Fisheries and Aquaculture Productivity.

5. Form of the subsidy

Direct support:

- a) Acquisition of genetic lines of commercial interest (up to 80%, subject to a maximum of 1 million pesos).
- b) Construction and/or adaptation of infrastructure, facilities and equipment in laboratories for the production of larvae, post-larvae, seed, fry and juveniles of aquatic organisms (up to 50% of the cost of the project, subject to a maximum of 5 million pesos).
- c) Management and preservation of sexual products of commercially important species for the purpose of maintaining genome banks (up to 80%, subject to a maximum of 5 million pesos).
- d) Characterization of genetic lines (up to 80%, subject to a maximum of 1 million pesos).

6. To whom and how assistance is provided

Research and technology transfer entities and laboratories for the production of aquaculture seed. Support is provided to the target population in accordance with technical selection criteria established in the rules of operation, under the terms of the invitation to tender and by means of the relevant legal instruments. The maximum percentage of the support is concept-dependent and varies between 50% and 80%. Support is granted until the budget is exhausted.

7. Total amount

Financial year 2019: MXN 55,190,174.00.

8. Duration

On an annual basis. The programme ran until 31 December 2019, with the exception of the extension amendment agreements applicable exclusively to the scope of the technical goals of the projects, since the financial audit was completed at the end of the financial year on the aforementioned date.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions. The aim of the measure is to characterize and preserve aquaculture genetic lines, and expand and strengthen the production infrastructure for biological inputs necessary for aquaculture production.

W. Aquaculture genetic resources

1. Title

Aquaculture genetic resources.

2. Period covered by the notification

2020.

3. Policy objective and/or purpose

General objective of the programme: To promote small and medium-scale primary activities that contribute to food self-sufficiency and saving the countryside, with an emphasis on fisheries and aquaculture.

Specific objective of the programme: To promote the fishing and aquaculture activities of small-scale producers through support for welfare and aquaculture genetic resources.

4. Background and authority

Articles 17 and 20.XV of the General Law on Sustainable Fisheries and Aquaculture set out the principles for the formulation and implementation of the National Policy on Sustainable Fisheries and Aquaculture. Articles 29 and 30 of the General Law on Social Development, and based on the General Criteria for the Determination of Priority Attention Zones 2020, issued in July 2019 by the National Council for Social Development Policy Evaluation. Agreement issuing the Guidelines governing the functions of the Delegations of Development Programmes, published in the Official Journal of the Federation on 18 July 2019.

5. Form of the subsidy

In-kind support in the form of the delivery of tilapia fry (up to 100,000 units), trout fry (up to 50,000 units), oyster seed (up to 1 million units) or shrimp post-larvae (up to 1 million units) from aquaculture seed production laboratories that have a valid Aquaculture Health Certificate granted by the National Agrifood Health, Safety and Quality Service (SENASICA).

6. To whom and how assistance is provided

It is granted to small and medium-sized producers who are listed in the National Fisheries and Aquaculture Register or are members of an aquaculture production unit (UPA) that meets the requirements established in the rules of operation and who submit their application during the window period, until the budget is exhausted.

7. Total amount

Financial year 2020: MXN 27,514,155.50 for the purchase and delivery of aquaculture seed.

8. Duration

On an annual basis. The programme was launched following the publication of the Rules of Operation on 25 March 2020 and concluded on 31 December 2020.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions. The aim of the measure is to promote inland water aquaculture and fisheries by providing improved quality aquaculture seed, which, despite enhancing the quality and quantity of production, resulting in an improvement in the trade of products, is not within the remit of the implementing body, which does not have the tools to measure such effects beyond an educated guess. In this regard, it is estimated that the support will result in the production of approximately 5,850 tonnes of aquaculture products. Direct support was provided to 256 family production units, or an estimated total of more than 1,000 people, and indirect support was given to more than 2,500 workers in the aquaculture sector, resulting in a higher level of welfare for small-scale aquaculture producers. With the support granted in 2020, the direct economic benefit to beneficiaries is estimated at around MXN 309 million from one crop cycle alone.

II. FILM SECTOR

A. National, regional and sectoral economic growth in the film industry

1. Title

Name of programme	Type of support	Amount of support provided in 2019	Amount of support provided in 2020	Description of support
Support for the production of short films.	Direct	MXN 10,000,000.00	MXN 8,675,000.00	Its objective is to strengthen audiovisual professionalization processes in the various regions of Mexico, supporting the production and post-production of short fiction, animated and documentary films by filmmakers and film school graduates. This support is granted to any Mexican or foreign natural person residing in the country, in accordance with the terms of the invitation to tender and the legal instruments signed for this purpose.
Support for screenwriting.	Direct and indirect	Direct: MXN 1,847,408.66 Indirect: MXN 15,000.00	Direct: MXN 2,393,034.76 Indirect: MXN 150,000.00	This is support for the writing of film scripts. This support is granted to natural persons who need to write or rewrite a film script, or who have a film plot and need to structure the story in order to obtain the first treatment or treatments to strengthen or rework the plot line of the story so as to continue the writing process, under the terms of the invitation to tender and the legal instruments signed for this purpose.
Support for project development.	Direct and indirect	Direct: MXN 1,520,000.00 Indirect: MXN 340,000.00	Direct: MXN 1,650,000.00 Indirect: MXN 375,000.00	This is support for the development of a production portfolio for a feature-length fiction, animated or documentary film project. This support is granted to natural persons, in accordance with the terms of the invitation to tender and the legal instruments signed for this purpose.

Name of programme	Type of support	Amount of support provided in 2019	Amount of support provided in 2020	Description of support
Support for the production and/or post-production of feature-length fiction and documentary films through the Trust Fund for the Production of High-Quality Films (FOPROCINE).	Direct	MXN 107,546,731.83	No new support was provided. ⁹	Its objective was to promote the development of the national audiovisual industry by granting resources in the form of risk capital for production or post-production to Mexican producers of quality feature films and drama series in the fiction, documentary, experimental and auteur genres, in addition to those made under international agreements, and debut films, all with a cultural and artistic profile. Moreover, to encourage national audiovisual production by inducing the participation of private investors in joint projects in order to ensure a sustained and growing production of Mexican feature films and series, which, thanks to their thematic, technical, artistic and cultural quality, contribute to the promotion and dissemination of quality Mexican audiovisual production, both domestically and abroad, and to the training of new human resources for the country's audiovisual industry. This support was granted to natural and legal persons of Mexican nationality engaged in film production under the terms of the rules of operation, the invitation to tender and the legal instruments signed for this purpose.
Support for the production of feature-length films through the Trust Fund for Cinema Investment and Incentives (FIDECINE).	Direct	MXN 136,774,317.58	No support was provided. ¹⁰	Its objective was to encourage and promote the national film industry and to stimulate the participation of the public, social and private sectors through the comprehensive revitalization of the industry. Support for the production and post-production of fiction and animated feature films was granted to natural and legal persons of Mexican nationality engaged in film production under the terms of the rules of operation, the invitation to tender and the legal instruments signed for this purpose.

⁹ As a result of the Decree on the Termination of Trusts published in the Official Journal on 2 April 2020.

¹⁰ As a result of the Decree on the Termination of Trusts published in the Official Journal on 6 November 2020.

Name of programme	Type of support	Amount of support provided in 2019	Amount of support provided in 2020	Description of support
Incentive for Audiovisual Creation in Mexico and Central America for Indigenous Communities and Communities of African Descent (ECAMC).	Direct and indirect	Direct: MXN 7,000,000.00 Indirect: MXN 840,000.00	Direct: MXN 7,000,000.00 Indirect: MXN 990,000.00	It aims to promote the inclusion of indigenous and Afro-descendant peoples in the various forms of audiovisual creation and filmmaking, both individually and collectively. Furthermore, to stimulate training and audiovisual and film production with a sense of community, within a framework of dignity, equality, equity and justice, and recognition of the diverse languages and cultures of Mexico and Central America. Support is granted to natural persons who define themselves as indigenous or Afro-descendants from Mexico or Central America (Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama) and indigenous or Afro-descendant peoples, groups, tribes and communities through a natural person designated as responsible for the project, in accordance with the terms of the invitation to tender and the legal instruments signed for this purpose.
Incentive for first commercial runs and festivals through the Trust Fund for Cinema Investment and Incentives (FIDECINE).	Direct	MXN 9,958,543.95	MXN 9,963,695.84	Incentive awarded to producers of Mexican films in recognition of the response to a film's first commercial run, based on audience numbers. Resources were granted under the terms of the rules of operation, the invitation to tender and the legal instruments signed for this purpose.
Incentives for the national distribution of selected and/or prize-winning Mexican films honoured at the Cannes, Berlin or Venice international film festivals through the Trust Fund for Cinema Investment and Incentives (FIDECINE).	Direct	MXN 2,000,000.00	No support was provided. ¹¹	Economic incentives to support the distribution in Mexico of Mexican films that were selected for screening and/or awarded a prize in the "best picture" and/or "best director" categories in official competitions at the Cannes, Berlin or Venice film festivals. Resources were granted under the terms of the rules of operation, the invitation to tender and the legal instruments signed for this purpose.

¹¹ As a result of the Decree on the Termination of Trusts published in the Official Journal on 6 November 2020.

Name of programme	Type of support	Amount of support provided in 2019	Amount of support provided in 2020	Description of support
Incentive to promote the Mexican film selected to represent the country at AMPAS (Academy Of Motion Picture Arts And Sciences) through the Trust Fund for Cinema Investment and Incentives (FIDECINE).	Direct	MXN 2,000,000.00	No support was provided. ¹²	Incentive that was awarded to boost the promotion and distribution of the film selected by the Mexican academy to represent the country at AMPAS, with a view to its nomination in the best foreign-language film category. Support was granted under the terms of the rules of operation, the invitation to tender and the legal instruments signed for this purpose.
Support for the production of series and miniseries through the Trust Fund for the Production of High-Quality Films (FOPROCINE).	Direct	No support was provided.	No support was provided. ¹³	Financial support was granted for the production of series and miniseries to natural and legal persons of Mexican nationality engaged in the production of series and miniseries under the terms of the rules of operation, the invitation to tender and the legal instruments signed for this purpose.
Gabriel García Márquez Incentive for Film-Making in Mexico and Central America. ¹⁴	Direct	No support was provided.	No support was provided.	Support was provided for documentary film-makers of indigenous and/or African descent in Mexico and Central America, covering five disciplines (argument development, production, editing, post-production, and distribution and marketing).
Support for cinemas through the Trust Fund for Cinema Investment and Incentives (FIDECINE).	Direct	No support was provided.	No support was provided. ¹⁵	Support was granted in the form of credit for the equipment and/or remodelling of cinemas authorized by the technical committee, in accordance with the terms of the rules of operation, the invitation to tender and the legal instruments signed for this purpose.
Total direct support		MXN 278,647,002.02	MXN 29,681,730.60	
Total indirect support		MXN 1,195,000.00	MXN 1,515,000.00	

2. Period covered by the notification

From 2019 to 2020.

¹² As a result of the Decree on the Termination of Trusts published in the Official Journal on 6 November 2020.

¹³ As a result of the Decree on the Termination of Trusts published in the Official Journal on 2 April 2020.

¹⁴ From 2019, the incentive stopped being offered and was replaced by the Incentive for Audiovisual Creation in Mexico and Central America for Indigenous Communities and Communities of African Descent (ECAMC).

¹⁵ As a result of the Decree on the Termination of Trusts published in the Official Journal on 6 November 2020.

3. Policy objective and/or purpose

To foster national, regional and sectoral economic growth in the film industry by providing managed, planned and systematic support to participants at various stages of the creation of audiovisual works, and to encourage economic consolidation in the industry.

4. Background and authority

Federal Law on the Film Industry, published in the Official Journal on 29 December 1992.

Decree establishing the Mexican Institute of Cinematography, published in the Official Journal on 25 March 1983.

Organic Statute on the Mexican Institute of Cinematography, published in the Official Journal on 6 November 2013 and 5 September 2019.

Rules of Operation and Management and Evaluation Indicators of the Trust Fund for the Production of High-Quality Films of 2 August 2017.

Rules of Operation and Management and Evaluation Indicators of the Trust Fund for Cinema Investment and Incentives, 30 November 2018 and 5 March 2020.

5. Form of the subsidy

Direct and indirect support.

6. To whom and how assistance is provided

- a. Direct support. By way of a contribution of resources to the Trust Fund for the Production of High-Quality Films (FOPROCINE) and the Trust Fund for Cinema Investment and Incentives (FIDECINE).
- b. Direct and indirect support. Provided to professionals in the industry, whether natural or legal persons, by selection and evaluation committees coordinated by the Mexican Institute of Cinematography.

7. Total amount

In the financial year 2019, the following amounts were provided:

- a. Direct support: MXN 278,647,002.02.
- b. Indirect support: MXN 1,195,000.00.

In the financial year 2020, the following amounts were provided:

- a. Direct support: MXN 29,681,730.60.
- b. Indirect support: MXN 1,515,000.00.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions. The aim of the measure is to promote domestic film-making and production.

III. HIGH-TECHNOLOGY SECTOR

A. Development of Domestic Suppliers and Contractors for the Energy Industry

1. Title

Public Trust Fund to Promote the Development of Domestic Suppliers and Contractors for the Energy Industry.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

To promote the development and competitiveness of local and national energy industry suppliers and contractors through finance schemes and support programmes for training, research and certification, in order to close technical capacity and quality gaps, with a special focus on small and medium-sized enterprises.

4. Background and authority

Pursuant to the then Articles 127 of the Hydrocarbons Law and 92 of the Law on the Electricity Industry, published in the Official Journal of the Federation on 11 August 2014, and the Trust Fund's Rules of Operation. It should be noted that, on 6 November 2020, the Decree amending and repealing various provisions of the Law for the Protection of Human Rights Defenders and Journalists, the Law on International Development Cooperation, the Hydrocarbons Law and the Law on the Electricity Industry was published in the Official Journal of the Federation. Articles 3 and 4 of the Decree repealed Articles 25.3 and 127 of the Hydrocarbons Law and Articles 90.3 and 92 of the Law on the Electricity Industry.

5. Form of the subsidy

Direct support to local and national energy industry suppliers and contractors.

6. To whom and how assistance is provided

Support was given to local and national energy industry suppliers and contractors through finance schemes and technical assistance for training, research and certification, covering up to 50% of the cost of the project, subject to a maximum of MXN 2 million, depending on the type of invitation to tender.

7. Total amount

Financial year 2019: No support was provided.
Financial year 2020: No support was provided.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions, given that no support was granted in 2019 or 2020.¹⁶ In addition, the Trust Fund was intended to promote the development of the national supply chain in the energy sector.

¹⁶ As a result of the signing of the Agreement on the Termination of Trusts on 30 June 2021.

B. Programme to Develop the Software Industry (PROSOFT) and Promote Innovation

1. Title

Programme to Develop the Software Industry (PROSOFT) and Promote Innovation.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

Foster economic innovation through the creation and strengthening of Business Innovation Centres (IICs) and public policies to promote the development of innovation ecosystems, with two specific objectives:

- I. The procurement of specialist technical equipment to provide the services required by target industries; the building and specialization of the human capital required by industries; consultancy services for technology implementation; and the procurement and/or development of specialist software and/or platforms that fit the purpose of the CII and the services that it will provide and/or the proposed training programmes; and
- II. To support the public policies on innovation promoted by the Intersectoral Committee on Innovation referred to in Article 41 of the Law on Science and Technology, as the body responsible for the design and delivery of public policy on innovation, through specialized instruments to foster innovation.

4. Background and authority

Rules of Operation of the Programme to Develop the Software Industry (PROSOFT) and Promote Innovation, published in the Official Journal on 26 February 2019. Operating Criteria, Programme to Develop the Software Industry (PROSOFT) and Promote Innovation for the 2019 financial year.

5. Form of the subsidy

Direct support to beneficiaries.

6. To whom and how assistance is provided

PROSOFT grants support to legal persons of regional economic vocations (large or medium-sized businesses or business partnerships such as clusters, chambers of business, industrial partnerships or confederations of chambers of industry) set up in accordance with Mexican legislation that demonstrate a need to generate economic innovation in their processes, products or services, under the terms of the invitation to tender and the legal instruments signed in this regard.

Support cannot be granted to the same legal person and/or project for more than three years running.

The subsidy is provided in accordance with the eligibility criteria established in Rule 7 of the 2019 PROSOFT Rules of Operation.

7. Total amount

Financial year 2019: MXN 334,497.58 million.

Financial year 2020: No resources were released, in compliance with the Decree establishing austerity measures to be observed by Federal Government departments and bodies.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions. The aim of the PROSOFT Programme is to promote economic growth and innovation.

IV. INDUSTRIAL DEVELOPMENT SECTOR

A. Industrial Productivity and Competitiveness Programme

1. Title

Industrial Productivity and Competitiveness Programme (PPCI).

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

The general objective of the Industrial Productivity and Competitiveness Programme (PPCI) is to improve business productivity through support for business projects and initiatives that are conducive to inclusive economic growth.

4. Background and authority

Rules of Operation of the Industrial Productivity and Competitiveness Programme for the 2019 financial year and Rules of Operation of the Industrial Productivity and Competitiveness Programme for the 2020 financial year.

5. Form of the subsidy

Direct support.

6. To whom and how assistance is provided

Legal persons that employ at least 51 workers registered with the IMSS, need to solve problems that limit their productivity, belong to one of the Chapter 31 to 33 industries, known as manufacturing industries, in accordance with the 2013 North American Industry Classification System (SCIAN), carry out any of the economic activities mentioned in the invitation to tender, and need to increase their productivity.

Direct financial support covering a percentage of the cost of the project, as described in the invitation to tender, is granted for the following types of support:

- Certifications and recertifications for building human capital and improving processes and products.
- Sectoral strengthening and development.
- Productive enhancement (specialized machinery and equipment).

7. Total amount

Financial year 2019: MXN 195,402,264.03.

Financial year 2020: Owing to the health emergency stemming from COVID-19, the disease caused by the SARS-CoV-2 virus, the PPCI did not have sufficient funds to continue providing support; therefore, there are no records for this period.

8. Duration

On an annual basis.

9. Trade effects

The businesses supported must have increased the productivity of their processes by the end of the project.

B. Sectoral Promotion Programmes1. Title

Sectoral Promotion Programmes (PROSEC)

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

Sectoral Promotion Programmes are instruments aimed at legal persons producing specific goods, and enable them to import various goods under a preferential ad valorem tariff (general import tax) for use in the production of specific products regardless of whether the goods to be produced are intended for export or the domestic market.

4. Background and authority

Decree establishing various Sectoral Promotional Programmes, published in the Official Journal of the Federation on 2 August 2002.

5. Form of the subsidy

PROSEC allows imports to be made under a preferential ad valorem tariff.

6. To whom and how assistance is provided

Legal persons that produce specified goods.

7. Total amount

No budgetary resources are allocated for this programme.

8. Duration

Not applicable.

9. Trade effects

The aim of the programmes is to foster economic growth, investment and exports.

C. General Import Tax for the Border Region and the Northern Border Zone.

1. Title

General Import Tax for the Border Region and the Northern Border Zone.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

To promote domestic trade and make development possible for businesses whose geographical location requires them to maintain and increase their competitiveness on international markets.

Accordingly, a tariff-reduction scheme was regarded as necessary in order to sustain the momentum of economic competitiveness.

4. Background and authority

Decree establishing the General Import Tax for the Border Region and the Northern Border Zone, published in the Official Journal of the Federation on 24 December 2008, and subsequent amendments thereto.

The Decree amending the Tariff of the General Import and Export Tax Law, the Decree to support the competitiveness of the automotive terminal industry and boost the development of the domestic car market, the Decree establishing the General Import Tax for the Border Region and the Northern Border Zone, the Decree establishing various Sectoral Promotional Programmes, and the various decrees establishing tariff quotas, published in the Official Journal of the Federation on 24 December 2020.

5. Form of the subsidy

Allows a business registered as a border enterprise in the northern border zone or the border region to enjoy total or partial relief from the general import tax.

6. To whom and how assistance is provided

Persons performing marketing activities, providing restaurant, hotel, leisure, cultural, recreational, sporting, educational, research-related, medical and social care services, rental services for moveable property and services to businesses, in accordance with the Catalogue of Economic Activities classification issued by the Tax Administration Service in the form of general rules, where the business is located in the northern border zone or the border region and registered as a border enterprise.

7. Total amount

No budgetary resources are allocated for this programme.

8. Duration

Not applicable.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these programmes.

D. Manufacturing, Maquila and Export Services Industry (IMMEX) Programme**1. Title**

Manufacturing, Maquila and Export Services Industry (IMMEX) Programme.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

The Programme aims to encourage and grant facilities to manufacturing, maquila and export service companies to carry out industrial processes or services involving export goods and provide export services.

4. Background and authority

Decree to promote the Manufacturing, Maquila and Export Services Industry, published in the Official Journal of the Federation on 1 November 2006, and subsequent amendments thereto.

5. Form of the subsidy

The IMMEX Programme provides for temporary importation without having to pay general import tax, value added tax or, if applicable, countervailing duties.

6. To whom and how assistance is provided

The legal persons residing in the national territory referred to in Article 9.II of the Federal Tax Code.

7. Total amount

No budgetary resources are allocated for this Programme.

8. Duration

Not applicable.

9. Trade effects

The aim of the measure is to foster economic growth, investment and exports.

V. OTHER**A. Training and technical assistance for micro, small and medium-sized enterprises****1. Title**

Training and Technical Assistance Programme.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

To provide training and technical assistance to micro, small and medium-sized enterprises (MSMEs), entrepreneurs and financial intermediaries in all states, in priority sectors and on a regional basis, as a complement to funding.

4. Background and authority

The Programme was designed and is implemented within the framework of Article 5 of the Law on the Organization of NAFINSA.

In May 2015, the NAFINSA Directorate for Business Development and Technical Assistance (DDEAT) was established; it is responsible for implementing the Programme.

Its mission is to be in direct contact with the client/beneficiary through various channels, to identify areas of opportunity and users' needs, to provide support in promoting and publicizing the various NAFINSA programmes and finance products, and to obtain feedback in that regard.

The Programme is aligned with the National Development Plan 2019-2024 (the Plan). The Plan is based on 12 guiding principles, three general approaches and Vision 2024, which define the priorities for attaining the comprehensive, equitable, inclusive, viable and sustainable development that the country is pursuing, and what will be achieved in 2024.

Moreover, the Plan establishes "the general welfare of the population" as a key objective, which it seeks to achieve through the construction of a viable model of economic development, political organization and coexistence between social sectors that guarantees progress with justice and growth with welfare.

Based on the framework of objectives, strategies and lines of action set out in the Plan, the sectoral programmes to implement it, and the guidelines issued by the tax authority for the aforementioned development banks, NAFINSA, considering its Institutional Planning Model and the relevant policies approved by the Board of Directors, determines the annual Institutional Programme in which each area of the organization integrates and commits to the goals to be met in the year in question, specifying the objectives, indicators and strategies to be achieved, which are aligned with the bank's mission and vision, and, consequently, with the six-year national planning framework.

Accordingly, the DDEAT will continue its work to train entrepreneurs and MSMEs through two channels: online, at www.nafintecapacita.com, and in person, through the Business Development Centre (CEDEM) and the Network of Consultants/Instructors, with nationwide coverage, in order to deliver conferences, courses, workshops, whole-day business development training sessions, and talks on business management, corporate governance and energy efficiency, and financing programmes, among other topics.

In addition, NAFINSA's senior management defined a strategy to address 23 priority sectors, for which the DDEAT is designing and developing content with a focus on these sectors that will contribute to the strengthening and productivity of regional vocations, taking into account the three thematic areas of the Programme, through whole-day business development and financing workshops.

5. Form of the subsidy

Courses, workshops, conferences, whole-day training sessions and technical assistance for entrepreneurs, businessmen and women, MSMEs and financial intermediaries through www.nafintecapacita.com, CEDEM and the Network of Consultants/Instructors under NAFINSA's financial programme.

6. To whom and how assistance is provided

It is aimed at entrepreneurs, businessmen and women, MSMEs and financial intermediaries. It is delivered face to face (CEDEM and the Network of Consultants/Instructors)¹⁷, online (www.nafintecapacita.com) and through live conferences (webinars via the Network of Consultants/Instructors). The model includes best practices for training and technical assistance, and strategic links designed to benefit the greatest number of MSMEs possible.

¹⁷ As of March 2020, the in-person mode has been temporarily suspended because of the health emergency caused by COVID-19.

Additionally, the model includes specific training actions introduced to develop and deliver courses, workshops, and conferences, structured with a view to developing content in cooperation with national and international bodies, universities, and general or specialist consultants across various platforms such as the Enterprise Development Centre, the Network of Consultants and the online platform.

Lastly, the model envisages the introduction of specific technical assistance actions and a "Business Diagnostic Study" developed for MSMEs in the services, commerce and manufacturing sectors. The aim is to identify the areas of opportunity in businesses' administrative processes and to suggest training courses on the online platform that has been in place since 2016 at www.nafintecapacita.com.

7. Total amount

The sums disbursed in national currency for procurement conducted under the Training and Technical Assistance Programme for the financial years 2019 and 2020 are set out below:

Budget origin	Financial year 2019*	Financial year 2020
Financial Programme	2,103,996.00	2,136,730.00
Current expenditure	889,247.88	115,364.00
GRAND TOTAL	2,993,243.88	2,252,094.00

*Note: It should be noted that, for the in-person mode, the service provided through the mobile office and the recruitment of the Network of Consultants/Instructors was cancelled in advance, which led to a reduction in the number of beneficiaries through this mode in 2019.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the implementation of these measures. However, it should be noted that the Programme helps to ensure companies stay in business, thereby maintaining jobs and, where appropriate, generating employment. To achieve this, the Programme develops MSME decision-makers' business skills. Moreover, the Programme seeks to improve the MSMEs' management, production and market conditions.

As part of the Programme, beneficiaries complete an evaluation form for the training and technical assistance activities at each event, whether it be a face-to-face or online course, workshop, whole-day training session or conference, among others. At the end of 2019, the satisfaction rating among beneficiaries was 93.52%, while for 2020 it was 92.99%.

B. Access to bank credit through the financial system

1. Title

Guarantee Programme.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

The aim of the Guarantee Programme is for domestic businesses to have access to bank credit through the financial system. In the same way, a further objective of the Programme is for the financial system, in particular commercial banks, to provide loans to businesses that are not normally regarded as eligible because they do not satisfy one or more of the requirements laid down for the lending products on offer. The guarantee is intended to facilitate access to finance to a greater number of businesses and to encourage participation by financial intermediaries in projects that, although viable, are perceived to be higher risk.

4. Background and authority

Law on the Organization of NAFINSA of 26 December 1986 and Law on Credit Institutions of 18 July 1990.

5. Form of the subsidy

Indirect support in the form of financing provided by private financial intermediaries.

6. To whom and how assistance is provided

The recipients of the guarantees are banking and non-banking financial intermediaries. Although financial intermediaries are the recipients, they constitute the means of channelling the support to micro, small, medium-sized and large enterprises and natural persons engaged in business activities in the industrial, commercial and services sectors, and eligible public or private entities within the legal framework of NAFINSA.

Part of the Guarantee Programme is leveraged with counter-guarantee resources provided by various public sector entities at all three levels: federal, state and municipal. These resources improve the conditions of financing and access for MSMEs and contribute to the fulfilment of public policy guidelines by the contributors.

7. Total amount

The balance of guarantees granted by NAFINSA to financial intermediaries amounted to:

Financial year 2019: MXN 85,463 million.

Financial year 2020: MXN 84,253 million.

The counter-guarantee contributions that NAFINSA received from the public sector (the Federal Government and state governments) to implement financing schemes under its Guarantee Programme were as follows:

Financial year 2019: MXN 962.1 million.

Financial year 2020: MXN 886.5 million.

8. Duration

The term of the guarantees granted by NAFINSA to financial institutions depends on the term of the loans they grant to companies.

The duration of funding schemes leveraged with counter-guarantee resources depends on the availability of such resources.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions. The measure seeks to encourage the provision of credit to micro, small, medium-sized and large enterprises, and to natural persons engaged in business activities, through private financial intermediaries.

C. Venture Capital Trust

1. Title

Venture Capital Trust.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

The Venture Capital Trust administers programmes set up with inputs from bodies such as the National Science and Technology Council, the Ministry of the Economy and the National Entrepreneurs Institute, now the Productive Development Unit of the Ministry of the Economy, within the following frameworks:

The objectives of the Ministry of the Economy's Innovative Development Programme 2013-2018 (PRODEINN) are:

1. "To develop an industrial promotion and innovation policy that fosters balanced economic growth across sectors, regions and businesses"; and
2. "To implement a policy that drives innovation in the commerce and services sector, with an emphasis on knowledge-intensive businesses". See, in particular, line of action 2.6.8: "To facilitate access to sources of financing and capitalization likely to support the various stages of innovation".

Article 12.VI of the Law on Science and Technology (LCyT) provides that the Federal Government will ensure contributions of public and private resources, both domestic and international, for the generation, execution and dissemination of projects covering scientific research, technological development and innovation, technological modernization, and links to the production and services sectors, and for training specialist human resources with a view to innovation and technological development in industry.

Since 2013, INADEM has run the Venture Capital Ecosystem Development Programme. This seeks to foster the creation and strengthening of venture capital investment vehicles and to promote the development of the high-impact entrepreneur ecosystem by encouraging access to alternative sources of capital financing. The Venture Capital Ecosystem Development Programme aims to increase the public resources allocated to venture capital through co-investment in domestic and foreign private investment vehicles with a view to investment in Mexico.

The programmes are as follows: The CONACyT Angels Fund, the Seed Capital Co-Investment Fund, and the Venture Capital Ecosystem Development Programme.

4. Background and authority

1. Law on the Organization of NAFINSA.
2. Regulations on the Organization of NAFINSA.
3. Law on Credit Institutions.
4. General Law on Credit Instruments and Operations.
5. The legislation applicable to each of the special Venture Capital Trust contributors in respect of their contributions, in conformity with their respective cooperation agreement.

5. Form of the subsidy

The programmes administered by the Trust seek to invest and manage the resources that make up the Trust's assets and allocate them to finance and/or support innovative projects, whether directly or indirectly, through private investment funds.

6. To whom and how assistance is provided

The CONACyT Angels Fund, a programme being developed with a view to investing through investment vehicle(s) in high-impact, innovative projects based on maturing technology, including components that have been validated in operating and/or real environments.

The Seed Capital Co-Investment Fund and Venture Capital Ecosystem Development Programme, where the beneficiaries are the investment vehicles that administer resources to invest in high-impact start-ups and scale-ups that in their view belong to various sectors of the economy.

The operating structure of the CONACyT Angels Fund and the Seed Capital Co-Investment Fund sets out the criteria for exploring and analysing investment vehicles in order to determine the participation, investment, application, disbursement, monitoring and control thereof.

Lastly, under the Venture Capital Ecosystem Development Programme, the Venture Capital Trust Fund acts as an intermediate body with responsibility for formalizing co-investment agreements with investment vehicles, handling calls for capital, and monitoring investments and the performance of investment vehicles.

7. Total amount

Financial year 2019: no contributions were made.

Financial year 2020: MXN 38.1 million.¹⁸

Note: The contributions made have not yet been distributed to the beneficiaries, funds or companies that require capital, owing to a lack of legal and operational guidelines (public policy) for their use, which must be established by the contributors (CONACyT and PROSOFT).

8. Duration

The resources contributed to the Trust are recorded in the Trust's assets and used in accordance with the operating agreements and guidelines signed with the contributors of the resources, which means that they can be for multi-year periods of approximately 10 years.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions, since the resources have not yet been invested in the venture capital ecosystem.

D. USMCA Foreign Trade Product (Bancomext)

1. Title

USMCA Foreign Trade Product (Bancomext).

2. Period covered by the notification

2020.

3. Policy objective and/or purpose

To increase access to financing for exporting companies and those linked to value chains in strategic sectors with export potential, in order to increase their productive capacities in view of the entry into force of the United States-Mexico-Canada Agreement (USMCA) and the diversification of their exports.

4. Background and authority

Based on the Rules of Operation of the Trust Fund to Promote Access to Financing for MSMEs and Entrepreneurs (FIPRAPYME).

¹⁸ This amount is held in the Trust's assets and was allocated as follows: MXN 14.2 million to CONACyT and MXN 23.9 million to PROSOFT.

5. Form of the subsidy

Indirect support through private financial intermediaries.

6. To whom and how assistance is provided

It is granted through the participation of commercial banks in the financing of companies in sectors or regions related to foreign trade, and companies involved in the tourism sector and related activities. It aims to encourage the allocation of more credit to businesses through financial intermediaries.

7. Total amount

Financial year 2020: MXN 500 million of counter-guarantee funds were earmarked to cover credit of up to MXN 7 billion.

8. Duration

Multi-year. From 2020 to 2025 (five years for new registrations).

9. Trade effects

The trade effects that may result from the use of these provisions will depend on the demand for credit from financial intermediaries.

E. Tax incentive for technology research and development

1. Title

Tax incentive for technology research and development.

2. Period covered by the notification

From 2019 to 2020.

3. Policy objective and/or purpose

A tax incentive is granted to income taxpayers who carry out technological research and development projects, in the form of a tax credit equivalent to 30% of the expenses incurred and investments made during the financial year in technological research or development, applied to the income tax payable in the financial year in which the credit is calculated. The tax credit shall not be cumulative for income tax purposes. The amount to be granted per financial year is MXN 1.5 billion.

4. Background and authority

Chapter IX, Article 202 of the Law on Income Tax.

5. Form of the subsidy

Income tax deduction for taxpayers receiving this benefit.

6. To whom and how assistance is provided

To income taxpayers who participate and benefit from the incentive. Each taxpayer can receive support of up to MXN 50 million per year.

7. Total amount

Financial year 2019: MXN 406,231,108.98.

Financial year 2020: MXN 98,293,261.25.

8. Duration

On an annual basis.

9. Trade effects

It is not possible to estimate what trade effects may result from the use of these provisions. The aim of the measure is to foster economic growth.
