



November 2, 2023

Ambassador Katherine Tai  
United States Trade Representative  
Winder Building  
600 17<sup>th</sup> Street, NW  
Washington, DC 20508

Re: Import Restrictions on U.S. Chemical Products by Mexico

Dear Ambassador Tai:

I am writing to express my deep concern on a matter that is having significant effects on U.S. chemical exports and supply chain resiliency, not just for U.S. chemical producers and workers but for downstream industries that use chemicals.

On October 23, 2023, the Government of Mexico published an Executive Decree (“Decree”), with immediate effect, that placed new import restrictions on dozens of U.S. chemical and petrochemical products. While the stated intent of the Decree is to combat trade in illicit fuel, the measure imposes new non-tariff barriers on U.S. exports of many chemicals, including: inputs for lubricants and additives; synthetic resins and plastics; synthetic fibers and textiles; soaps and detergents; rubber; tires and hoses; ammonia; and fertilizers. These products are manufactured in many U.S. states, which allows us to keep high-paying jobs right here at home. The chemical manufacturing sector is one of America’s top exporting industries, accounting for 10 percent of all U.S. exports.

This Decree is directly impacting U.S. chemical exports as well as the multiple industries who use our products. As the Decree gets fully implemented, it will have an increasingly detrimental effect on many chemical and non-chemical industries and compromise USMCA trade and supply chain resiliency. This Decree hits us directly: Mexico is the top U.S. export destination for chemicals, with exports valued at over \$31 billion in 2022, over 60 percent of which are petrochemicals. Strong North American trade, supply chains, and regulatory cooperation have been key to ACC and member companies’ innovation and production. Our industry relies on such supply chains with our USMCA partners especially as we face increasing competition from China and other countries. This Decree is contrary to USMCA objectives and commitments and will cause significant damage to our exports as well as the downstream industries who depend on our products.

We would urge you to press the Mexican Government to reconsider the measures enacted by the Decree and start urgent discussions with U.S. and Mexican industry and stakeholders on ways Mexico can stop illicit fuel trade without disproportionately impacting U.S. exports.

We would also request that you urge the Mexican Government, and particularly, the customs authorities, to resume and normalize operations at the border—for both truck and rail crossings—and that U.S. exports of affected products to Mexico be approved without delay and continue unimpeded. Finally, we would suggest that a working group under the USMCA Annex on Chemical Substances be established. Such a working group is contemplated in the Agreement but has not yet been implemented. The group would help prevent future similar measures and underscore the importance of USMCA implementation, North American regional integration, and supply chain resiliency in the chemical sector as well as downstream industries that use chemicals.

Thank you for your cooperation on this important matter and please call on me if you have any questions.

Sincerely,

Chris Jahn  
President and CEO  
American Chemistry Council

