



Administración  
de Comercio Exterior

Ministerio de Economía  
del Estado de Israel

Embajada de  
Israel en México

# CONSUMER GOODS

**SECTORIAL OVERVIEW  
MEXICAN ECOSYSTEM**



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## 1. Executive Summary

The following report was written by the Israel Commercial Office to Mexico in order to provide an overview of the consumer goods sector in Mexico. The objective is to give a broader understanding of the Mexican ecosystem and its main players through clear and concise information about the industry, supported with guidelines that can lead any interested party in establishing a business or relationship of such type in the country to the best practices.

For further information beyond what is stated in this report, as well as questions or a request to connect with any of the companies, organizations or conferences listed, please contact Trade Officer Estefanía Wood who is responsible for the consumer goods sector.



**Estefanía Ustarroz Wood**

Trade Officer





## 2. The Israel Economic Mission in Mexico:

The Israel Economic Mission to Mexico is based in Mexico City and represents the Foreign Trade Administration of the Ministry of Economy and Industry of Israel. Our objective is to promote, improve, and facilitate trade and investments in a wide variety of sectors between Mexico and Israel. We work to develop strategic bilateral partnerships by identifying new attractive opportunities in business and G2G bilateral trade between both countries. To achieve these goals, we organize B2B meetings, business seminars, exhibitions, physical and virtual delegations, as well as other services.

### 2.1 The team



**Lior M. Yafe**  
Commercial Attaché



**Ana Guzman**  
Trade Officer



**Estefanía Ustarroz Wood**  
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**Kenjiro Juarez**  
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**Ariela Lerman**  
Project Manager





### 3. General Information About Mexico and its Business Culture

<b>Official Name</b>	Estados Unidos Mexicanos (México)
<b>Capital</b>	Mexico City
<b>Currency</b>	Mexican Peso  (1 USD – 17.03 MXN)
<b>Population</b>	128,455,567 (estimated 2023)
<b>Administrative divisions</b>	32 states (estados, singular-estado); Aguascalientes, Baja California, Baja California Sur, Campeche, Chiapas, Chihuahua, Coahuila, Colima, Ciudad de Mexico, Durango, Guanajuato, Guerrero, Hidalgo, Jalisco, Mexico, Michoacan, Morelos, Nayarit, Nuevo Leon, Oaxaca, Puebla, Queretaro, Quintana Roo, San Luis Potosi, Sinaloa, Sonora, Tabasco, Tamaulipas, Tlaxcala, Veracruz, Yucatan, Zacatecas
<b>Government</b>	Federal Presidential Constitutional Republic
<b>President</b>	Andres Manuel Lopez Obrador
<b>Official Language</b>	Spanish





### 3.1 Major Cities

- Mexico City
- Tijuana, Baja California
- León, Guanajuato
- Puebla, Puebla
- Juarez, Chihuahua
- Guadalajara, Jalisco
- Monterrey, Nuevo León

Mexico is the largest importer and exporter in Latin America and is the second-largest economy in LATAM after Brazil.

### 3.2 Business Communication

Mexican business culture prefers face-to-face methods of communication, as they find it critical in determining potential partners' character, level of trust, and compatibility.

### 3.3 Business Etiquette: do's and don'ts:

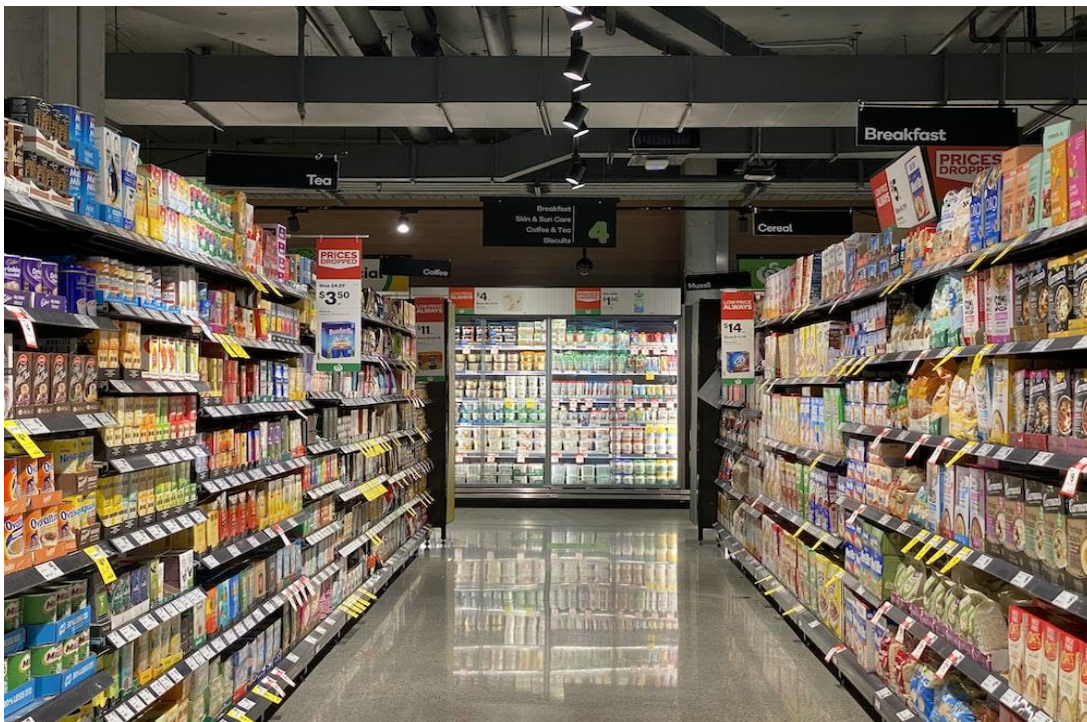
- **Presentation:** Although before scheduling the call, the Commercial Trade Officer sent your information (presentation, one-pager, etc.) that you provided on your ERM request. It is essential to have a short and precise PowerPoint presentation about your product or service. For Mexican companies, a previous experience in other markets is essential, especially in the United States, European Union, and Latin America. In case you do have such an experience, please emphasize it.
- **Read about the local company before:** Do some research, look for the person's profile on LinkedIn and such.
- **Know your goals in the local market:** You must provide clear information about what you are expecting from your local partners, sales, and your strategic plan if you already have some distributors in the market, including details about their approximate sales volumes, etc.
- **Importation issues:** it is considerable to know the H.S. code of your product, packaging for the importation, and if any relevant Mexican-local regulation exists.



- Additional information: it is always attractive for the local company to know if you are willing to give training, marketing percentage, free samples, or pilots before closing a deal.
- **Be friendly:** In Mexican business culture, a direct, unmediated, pleasant, and respectful relationship is significant long before doing business. It is important not to go straight to business and conduct small talk before it. It can be viewed as rude behavior. DON'T make them feel rushed or undervalued.
- **Accurate information:** If you don't know the answer to the question asked during the call, it's better to apologize and send the information later via email instead of providing misinformation that can mislead or affect the meeting adversely.

Mexican business people do not like to say "No." It's important to be hyper-aware of body language and other non-verbal cues to avoid miscommunications. If you push the Mexican business people, they could stop answering you.

Be careful in how you are doing business. Business in Mexico takes time to close and longer when everything is by mail and calls.





## 4. Overview of the Mexican consumer goods ecosystem

The consumer goods industry plays a pivotal role globally, serving as a fundamental component of every economy by supplying the products and services essential for daily life. Comprising nine main sectors—food, beverages, tobacco products, apparel, leather and related products, media products, electronic products and components, electrical equipment, and furniture—these goods are acquired by end users through various retail channels, including physical stores and eCommerce.

Fueled by the growth of the middle class, increased consumer spending, and population expansion, the industry has demonstrated consistent growth. Roughly 47% of Mexican household expenditures are directed toward consumer goods, spanning processed foods, apparel, household products, personal care and cosmetics, household appliances, consumer electronics, toys, garden products, and more.

In 2020, the Mexican consumer goods industry contributed 13% to the country's GDP. The onset of the COVID-19 pandemic in the same year prompted a substantial shift in global consumer behavior, notably towards online shopping. E-commerce experienced a one-year growth equivalent to what would typically take five years. While the sector grew by 1.8% from 2016 to 2019, it surged to 10.4% in 2020. Subsequently, the industry saw a 60% increase in the number of companies, with expectations of sustained growth. The Mexican Association of Online Sales estimates that the national e-commerce sector reached a value of \$19.7 billion in 2022, reflecting a 27% increase compared to 2020.

Despite persistent inflation, consumer spending in Mexico saw a notable [6.5% annual increase in 2022](#), according to data from the national statistics agency [INEGI](#). This is measured by the monthly indicator of private consumption (IMCPMI), reflecting household spending on both domestic and imported consumer goods and services—a crucial component in GDP calculation. The rise was primarily driven by increased spending on imports, with a 13.5% growth compared to 2021. Consumption of national products grew overall by 5.6%, predominantly in the services





category, which saw an 8.8% rise, while the purchase of domestic goods experienced a more modest 2.4% increase.

## 4.1 Highlights

Value added in the Consumer Goods market in Mexico is projected to amount to US\$49.99bn in 2023. A compound annual growth rate of 2.90% is expected (CAGR 2023–2028)<sup>1</sup>.

- Output in the Consumer Goods market in Mexico is projected to amount to US\$131.00bn in 2023. A compound annual growth rate of 1.42% is expected (CAGR 2023–2028).
- The number of enterprises in the Consumer Goods market in Mexico is projected to amount to 203.80k in 2023. A compound annual growth rate of 2.39% is expected (CAGR 2023–2028).
- The number of employees in the Consumer Goods market in Mexico is projected to amount to 2,112.00k in 2023. A compound annual growth rate of 3.35% is expected (CAGR 2023–2028).

## 4.2 Value Added

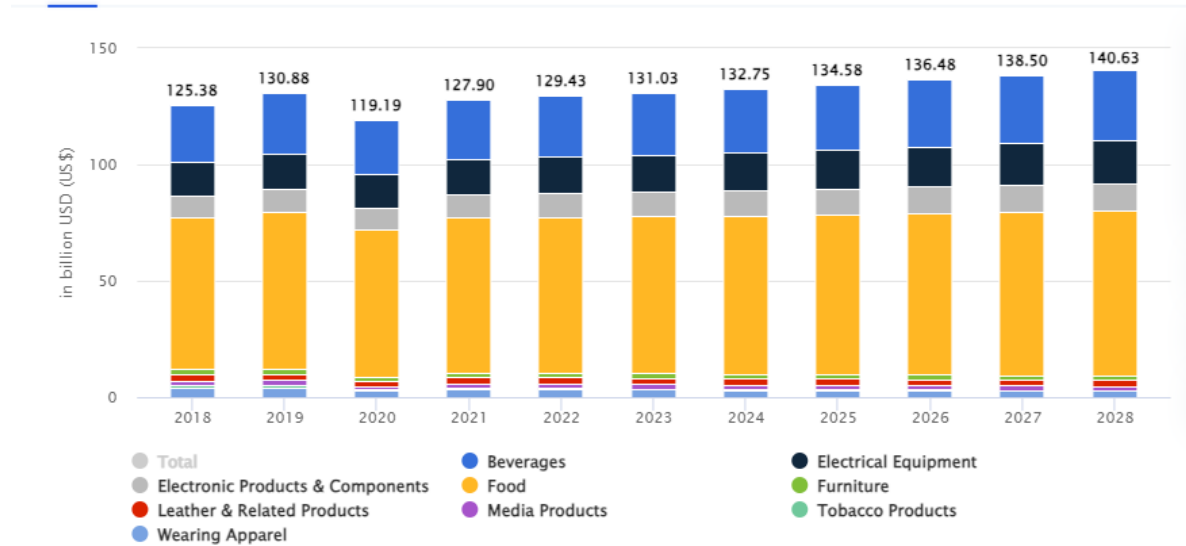


<sup>1</sup> Value Added refers to the increased utility of a product as it passes through different production stages. This can be in the form of extra features on a product or service to increase its perceived value for the customer.



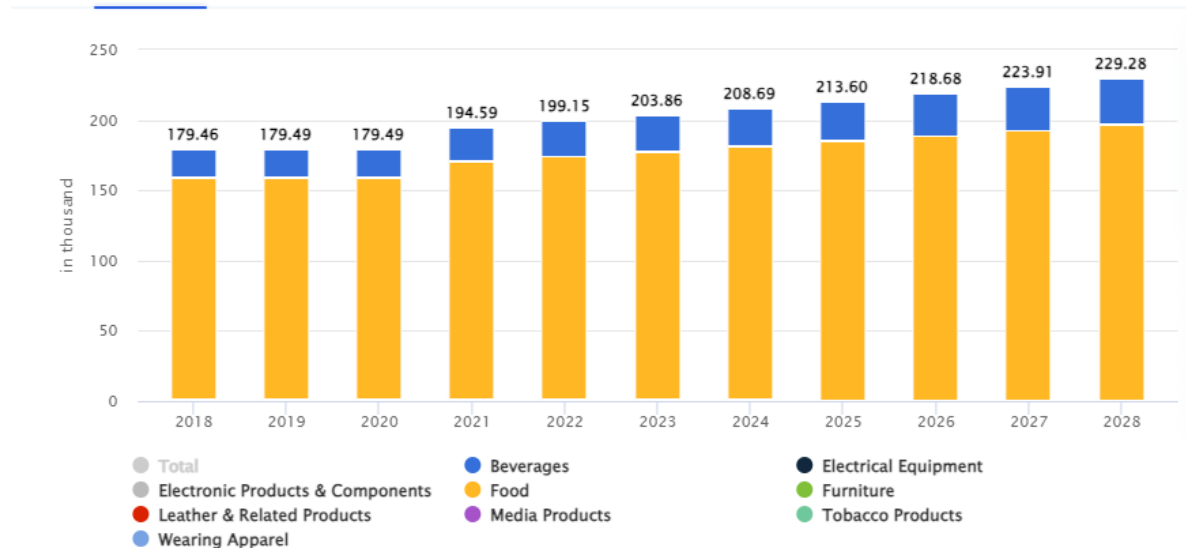
### 4.3 Output<sup>2</sup>

OUTPUT OUTPUT GROWTH



### 4.4 Employment—Number of Enterprises

NUMBER OF ENTERPRISES NUMBER OF ENTERPRISES GROWTH



<sup>2</sup> Output is the quantity and quality of goods or services produced in a given time period, within a given economic network, whether consumed or used for further production.



## 5. Retail Industry in Mexico

### 5.1 Supermarkets

The retail industry in Mexico boasts an estimated revenue of USD 76 billion, as reported by the Mexican retailers' association, [ANTAD](#), representing over 47,000 retail stores nationwide. [Walmart de Mexico](#) dominates the sector with a commanding 66.4% share of all supermarket sales in 2021. Other major players include [Grupo Chedraui](#) (17%), [Soriana](#) and [CityClub](#) (14%), and [La Comer](#) (2.6%), constituting the largest brands with significant national presence. Regionally, [HEB Mexico](#) holds importance in the northeastern part of the country.

The channel share of retail sales in Mexico in 2022 is distributed across various formats, with hyper stores leading at 15%, followed by discount stores (11%), cash and carry (9%), convenience stores (7.5%), pharmacies (8%), supermarkets (6%), food service (4%), and eCommerce (12%). The adoption of eCommerce experienced accelerated growth during the COVID-19 pandemic, and this momentum persists. Mexican consumers, having embraced online purchasing habits, are expected to continue this trend. [The Mexican Association of Online Sales \(AMVO\)](#) anticipates sustained exponential growth as consumers increasingly use technology and as cybersecurity advancements enhance the security and appeal of online transactions.

While physical visits to retailers remain a preference for Mexican consumers, the online portals of traditional retailers have gained significance over the last three years. Walmart Mexico's online store, for instance, offers a diverse range of products not commonly found in their physical superstores, showcasing the evolving dynamics of retail in Mexico.



### 5.1.1 Market Regulation:

The importation of food into Mexico is regulated by various laws and regulations designed to safeguard the quality and safety of the food entering the country. To commercialize and distribute your products in the Mexican market, it is imperative to obtain the "[Prior Sanitary Import Permit for Products](#)." This permit allows you to introduce foods, dietary supplements, and non-alcoholic beverages into the national territory that adhere to Mexico's current health legislation. [COFEPRIS](#) is the authority responsible for issuing these permits, ensuring compliance with health standards and regulations.

### 5.2 Apparel

- In 2023, the revenue in the Apparel market in Mexico amounts to US\$18.91bn.
- It is projected to grow annually by 3.67% (CAGR 2023-2027).
- The largest segment in this market is Men's Apparel, with a market volume of US\$7.82bn in 2023.
- When considering the population, the per person revenues in Mexico amount to US\$147.20 in 2023.
- Looking ahead, the volume in the Apparel market is expected to reach 3.7bn pieces by 2027, with a growth rate of 1.9% in 2024.
- The average volume per person in the Apparel market is projected to be 26.6pieces in 2023.
- Additionally, by 2023, 98% of sales in the Apparel market will be attributed to Non-Luxury.
- Mexican consumers are increasingly embracing sustainable and ethically-made apparel, driving demand for eco-friendly fashion brands in the country.
- The most important Mexican chains are [Coppel](#), [Liverpool](#), [Palacio de Hierro](#), [Sears México](#) and [Sanborns](#).



### 5.3 Cosmetics and personal care products

The cosmetics and personal care products market in Mexico is estimated to be valued at USD 7.24 million in 2022, solidifying its significance as a crucial sub-sector within the broader consumer goods industry. Mexico ranks among the top 10 markets globally for cosmetics and personal care products, holding the position as the second-largest market for beauty products in Latin America.

Mexico's prominence extends beyond consumption, as it stands out as a key manufacturer of these products in the region. This manufacturing capability enhances competitiveness, particularly in pricing for mass-consumed personal care items, attracting large international companies. Major players with a notable presence and manufacturing facilities in Mexico include [Unilever](#), [Colgate-Palmolive](#), [Procter & Gamble](#), [L'Oréal](#), [Mary Kay Cosmetics](#), [Natura&Co](#), and [Avon Cosmetics](#). These companies collectively represent over 55% of the market.

Segmenting the cosmetics and personal care market in Mexico by market share distribution, personal care products held the lead in 2022 with 28%, followed by fragrances (20%), makeup (15%), skincare (14%), hair care (13%), and body care (9%).

While traditional physical retailers remain dominant, leveraging the sensory appeal of these products, eCommerce sales for cosmetic and personal care items are steadily increasing. This is particularly true for refills or trying new products from familiar brands. The eCommerce trend extends across both traditional retailers and online marketplaces like [Amazon Mexico](#) and [Mercado Libre](#), fostering the emergence of specialized online stores exclusively dedicated to beauty products.

#### 5.3.1 Market Regulation:

Cosmetics and personal care products do not require cumbersome health permits by the Mexican authorities. Nevertheless, all cosmetics and personal care products do require compliance with a labeling standard called [NOM-141-SSA1/SCFI-2012](#) that outlines labeling requirements. Other standards may apply depending on the product and its intended use. The proper classification



should be made with the assistance of a Mexican customs broker to assure products shipped from Israel will not be stopped by Mexican customs. It is important to mention that even though eCommerce shipments have increased, personal care products and cosmetics usually come in gels, liquids, or powders which need additional identification by Mexican authorities. Please refer to the Customs, Regulations, and Standards section of this guide for more information.

### 5.4 Distribution Channel

Most of the chains of supermarkets and department stores purchase through distributors, below some of the top and recommended distributors per category:

Body Care, Make up & Fragrances	<a href="#">Franslux</a>
	<a href="#">Sephora</a>
	<a href="#">LVMH</a>
	<a href="#">Daclaf</a>
	<a href="#">Gipsy International</a>
Clothing & Accessories	<a href="#">Sears</a>
	<a href="#">Baseco</a>
	<a href="#">Suburbia</a>
	<a href="#">Liverpool</a>
Franchise & Boutiques Stores	<a href="#">Grupo Axo</a>
	<a href="#">Liverpool</a>
	<a href="#">Palacio de Hierro</a>





## 6. Relevant Associations

### 6.1 ANTAD

The National Association of Supermarkets and Department Stores (ANTAD), established in 1983, has been a driving force in promoting the growth of retail trade and its suppliers within a market economy that prioritizes social responsibility. ANTAD Associates, consisting of 90 chains, have a widespread presence in all cities, providing consumers with the advantages of purchasing products through legal trade channels, ensuring guarantees, safety, and competitive prices. ANTAD's commitment to fostering responsible business practices has played a significant role in shaping the retail landscape in Mexico.

### 6.2 AMVO

The Mexican Association of Online Sales, A.C. (AMVO), founded in 2014 as a civil non-profit organization, is dedicated to supporting and fostering the growth of electronic commerce and the digital economy in Mexico. With a membership exceeding 550 companies, including both Mexican and international entities from various sectors such as retail, fashion, travel, financial services, and more, AMVO serves as a collaborative platform. Member companies, including department stores, agencies, and supermarkets, join forces with the aim of advancing their e-commerce initiatives and implementing industry best practices to enhance the digital landscape in Mexico.

## 7. Market Access

Israel is the 42nd trading partner of Mexico worldwide and the largest in the Middle East. [Israel and Mexico signed an FTA in 2000](#), since then the exchange between both countries have grown significantly. It is advisable to consult with a specialized customs agent to determine if your product qualifies for inclusion in the FTA, ensuring you can leverage the associated benefits and opportunities.



## 7.1 Online Tariff Information System

The SIAVI (Sistema de Información Arancelaria Vía Internet) is an online tool designed to provide tariff and regulatory information for imports and exports in Mexico, categorized by HS Code (Harmonized System Code). This system offers insights into the value and volume of Mexican imports and exports, allowing users to access information on a yearly or monthly basis. Its primary objective is to serve as a reference for understanding the patterns of foreign trade operations and the historical background of specific HS code fractions since their creation.

To check if your product is exempt from tariffs using SIAVI, follow these steps:

1. **Select your HS code:** Begin by choosing your HS code, starting with the Chapter (first two digits), followed by the Heading (next two digits), Subheading (next two digits), and finally, the Fraction (last two digits).
2. **Verify the description:** Confirm that the description associated with your selected HS code is accurate. You can use tools like Google Translate to aid in comprehension.
3. **Access Tariffs and Regulation:** Once you've confirmed the correct HS code and description, click on "Aranceles y Normatividad" (Tariffs and Regulation). This section will provide information on applicable tariffs and regulatory norms associated with the selected HS code.

By following these steps, users can utilize the SIAVI system to gain valuable insights into the tariff status and regulatory details of specific products, contributing to informed decision-making in the realm of international trade.







**4. Scroll down until you get to the country table, look for Israel. If**

EXCL: Excluded from the FTA negotiation

Ex: Exempt of taxation

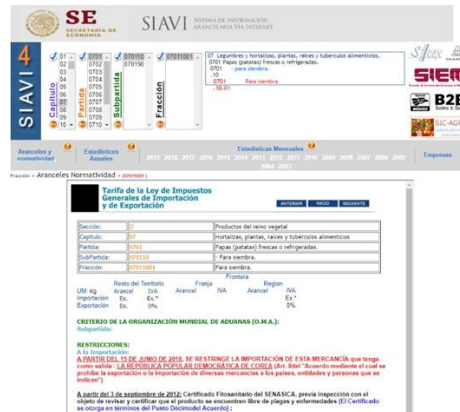


**5. If your product is excluded from the negotiation:**

- Scroll up until you locate the tariff table.
- Find the "Import" section and, below that, identify the specific tariff under "Rest of the Tariff." This is the tariff you are required to pay, in addition to the VAT (Value Added Tax), if applicable.

**6. If your product is exempt from tariffs:**

Simply check for the VAT (Value Added Tax).





## 7.2 Business Opportunities

Mexico presents various business opportunities in the consumer goods sector, driven by its large and diverse market. Some key areas for business opportunities in the consumer goods industry in Mexico include:

1. **Food and Beverages:** The food and beverage sector are expansive in Mexico. Opportunities exist for a growing demand for diverse and healthy food options.
2. **Personal Care and Beauty Products:** The cosmetics and personal care market in Mexico is substantial. There is a rising demand for beauty and personal care products, and consumers are increasingly open to trying new brands.
3. **Home and Household Products:** From cleaning supplies to home decor, there is a consistent demand for household products. Sustainable and eco-friendly options are becoming increasingly popular.
4. **Fashion and Apparel:** The fashion industry is dynamic in Mexico. There are opportunities for both affordable and high-end fashion brands, as consumers seek diverse clothing options.
5. **Electronics and Gadgets:** The consumer electronics market is growing, and there is demand for innovative gadgets and technology-driven products.
6. **Pet Products:** The pet care industry is expanding as more households' own pets. This includes pet food, accessories, and healthcare products.
7. **Baby and Child Products:** The market for baby and child products, including toys, clothing, and care items, is robust.
8. **Green and Sustainable Products:** Mexican consumers increasingly value environmentally friendly and sustainable products. Companies focusing on eco-friendly offerings can find a niche.



### 7.3 What you need to know before coming to Mexico

- Mexicans like to see/taste the products they are going to buy. You need to come and meet personally with the retailers and the distributors.
- Chains and Retail companies always ask for marketing fee, distribution fee, and more. You must have your numbers clear.
- Beauty and body care products need a letter of clearance from the local sanitary entity (COFEPRIS).
- REMEMBER that Israeli products are not well known in the local market, good price and nice-looking packages is a MUST.

## 8. Exhibitions in Mexico

### [Expo ANTAD & Alimentaria—12, 13 & 14 March, 2024](#)

This is one of the largest trade shows in Latin America for the food and beverage industry. It brings together suppliers, manufacturers, and retailers.



### [ABASTUR—28, 29 & 30 August, 2024](#)

It is a leading event in the hospitality and foodservice industry, bringing together professionals and suppliers from the hotel, restaurant, and catering sectors



Before entering the Mexican market, it's essential to conduct thorough market research, understand local consumer preferences, and navigate any regulatory requirements. Partnering with local distributors or establishing strategic alliances can also enhance market entry and success.