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Analysis of Cooperation Prospects in China-Mexico Electronic Trade

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Abstract: This article, using the “US-Mexico-China” triangular relationship as an analytical framework, explores in depth how the United States, as an external key factor, influences the modes of cooperation and developmental trajectories of electronic trade involving China and Mexico. According to some researches, the US has not only endowed Mexico with the location value of nearshoring through its huge market demand, but also formed a dual influence through trade policies and rules such as the US-Mexico-Canada Agreement (USMCA, 2020). In this context, China-Mexico electronic trade is undergoing a fundamental restructuring, with its focus of cooperation rapidly shifting from traditional cross-border B2C commodity circulation to regional cooperation on deep integration of supply chains. The risks that China’s enterprises are facing are beyond the regular market competition, which also involves the pressure of compliance and supply chain reshaping under the context of geopolitical transmission. Therefore, this article argues that the prospects for cooperation hinge on the ability of both sides to transcend mere trade complementarity. By integrating manufacturing onshore, co-developing service chains synergistically, and systematically upgrading compliance and agility, they can foster a more resilient and innovative regional industrial ecosystem. This article provides an analysis and strategic recommendations based on a geoeconomic perspective for Chinese enterprises to optimize their Latin American market strategies and respond to the reorganization of global supply chain.

Keywords: Mexico; Electronic trade; China-Mexico economic and trade relations; Geopolitical risks; Supply chain restructuring

1 Introduction

With the rapid development of the digital economy, cross-border e-commerce has become a vital engine for global trade. As the second-largest economy in Latin America, Mexico has seen explosive growth in its e-commerce market in recent years, drawing widespread attention from the global academic com-

munity. However, existing research primarily focuses on macro market analysis or studies of individual platforms, with insufficient systematic exploration of the mechanisms for China-Mexico electronic trade cooperation. This article examines the research progress from the perspective of academic history by sorting out relevant research results, and establishes research value on this basis.

Through the review of relevant literature, it was found that existing research mainly revolves around three perspectives. The first is analysis at the product level, such as Liu's (2022) study of the China-Mexico electronic and electrical product market amid China-US trade friction; the second is platform strategy research, such as Yin's (2021) analysis of the development path of local platforms such as Mercado Libre; Thirdly, research on policy environment, such as Zhang's (2020) exploration of the impact of policies related to the USMCA on cross-border trade between China and Mexico. However, these studies are confined to the bilateral trade dimension between China and Mexico from a relatively single perspective, lacking in-depth multidimensional and systematic analysis of electronic trade between China and Mexico, and researches on the dynamic relationship between policy adjustments and market evolution are insufficient.

Therefore, this article argues that existing research on the complementary mechanism of electronic trade between China and Mexico is insufficient, lack of dynamic analysis on the interaction between policy adjustments and market evolution and there is a relative lack of research on localization strategies for Chinese companies in the Mexican market. These research gaps provide research space for this article. Starting from these weak links, this article will systematically explore the development mode and cooperation prospects of China-Mexico electronic trade to make up for the shortcomings of existing research. This article adopts a mixed research method, combining quantitative analysis and qualitative research. At the data level, uses industry data of UN Comtrade and AMVO, market characteristics are revealed through descriptive statistics and trend analysis; at the theoretical level, uses case analysis method, and selects typical enterprises for in-depth interviews to explore their localization strategies; at the policy level, uses the policy text analysis method, we will review the evolution of Mexico's e-commerce regulatory framework. Through comprehensive research from multiple dimensions and methods, we strive to provide new insights for understanding China-Mexico electronic trade cooperation.

2 Current Status and Strategic Value of Electronic Trade in Mexico

Mexico has become one of the emerging markets with the most strategic value in global e-commerce, especially in the field of China-Mexico trade, with unique geographical location, open economic policies and huge market potential. This section analyzes Mexico's current standing and value as an electronic trade hub across four dimensions: inherent advantages, policy environment, complementarity with China, and potential risks.

2.1 Basic Advantages of Economy and Location

Mexico has a solid foundation to support the continued growth of e-commerce. Its location bordering the United States to the north, stable politics and sound legal system have made it a key gateway for global investment and trade. In the field of e-commerce, its growth potential is particularly prominent. According to the report of

Asociación Mexicana de Venta Online (AMVO), the size of the Mexican e-commerce market reached more than MXN\$30 billion in 2024; it is expected that by 2025 the penetration rate will exceed 60% for the first time; its user base is huge, and e-commerce has become a way of life for more than 67 million Internet users in Mexico, all of whom made a purchase through digital channels in the last year (AMVO, 2025).

This large user base, combined with the high penetration rate of the Internet and smartphones, provides a solid guarantee for the market's continued growth.

2.2 Highly Open Trade and Policy Environment

A highly open trade environment is another core advantage of Mexico. Mexico has signed free trade agreements with many countries around the world, forming a broad trade network. Some industry researches point out that Mexico is one of the most active cross-border e-commerce markets in the world, and its consumers show a strong demand for goods (AMVO, 2025). Meanwhile, to regulate the market, the Mexican government has been continuously improving its regulatory framework, particularly in areas like taxation. These policies are all aimed at promoting the market from “low-price bonus” to “compliance and branding”, which will promote high-quality development of China-Mexico cooperation in the long term.

2.3 Complementarity and Realistic Basis of China-Mexico Trade

China-Mexico electronic trade has obvious complementarity (Zeng, 2009) . Mexico is attracting more and more Chinese companies to set up operations relying on the advantages of its location, market and policy. Meanwhile, Chinese enterprises have gradually built up their competitive edge in the local market with their local experience and integrated service capabilities, which created favorable conditions for electronic trade cooperation. Moreover, the rapid development of China-Mexico electronic trade is built upon an expanding and highly complementary bilateral trade relationship. According to the United Nations Commodity Trade Statistics, the total bilateral trade volume between China and Mexico has exceeded \$109 billion in 2023, showing strong economic and trade ties and resilience (UN Comtrade, 2024). The growth is even more spectacular in the more dynamic online field. The industry analysis agrees that Mexico is one of the fastest-growing markets of e-commerce, and goods and services from China are key drivers of this growth (Statista, 2024; AMVO, 2023). These data confirm that China-Mex-

ico e-commerce cooperation is standing on a large and fast-growing factual basis.

2.4 Deep Dependence on the US Constitutes a Core Vulnerability for the Development of Mexico's E-commerce

However, the Mexican economy's deep reliance on the US is a key underlying risk for its e-commerce development. The International Monetary Fund significantly downgraded the growth forecast for Mexico in its latest World Economic Outlook report, noting that the external risks it faces mainly stem from shocks due to policy adjustments of the US (IMF, 2024). This highlights the risk of Mexico's economic fragility and larger dependence on the US, and has also forced it to accelerate its strategy of trade diversification with the vast Chinese market naturally becoming one of its key pivot targets.

3 The United States Has a Huge Impact on China-Mexico Electronic Trade

As Mexico's largest trading and investment partner, the US constitutes a decisive "third pole" in the China-Mexico electronic trade relationship, and the mechanism of "market pull" and "regulatory pressure" jointly affects the path, logic and future direction of bilateral cooperation.

3.1 The Attraction of the US Market Has Created Regional Cooperation Opportunities for China-Mexico Electronic Trade

The US has created new opportunities for China-Mexico electronic trade by enhancing the location value of Mexico to meet its vast consumer demand. Under the stable framework provided by the US-Mexico-Canada Agreement (USMCA, 2020), Mexico has become an ideal production base for serving the North American market. The trend of nearshoring in global supply chains has further amplified this geographical advantage. For Chinese enterprises, the layout in Mexico is no longer just about expanding the local market; it has become a strategic springboard for efficient access to the vast North American market. This has driven the evolution of cooperation models from mere cross-border B2C trade to a comprehensive B2B2C model encompassing local production, warehousing, and fulfillment.

3.2 Compliance and Localization Thresholds for China-Mexico E-commerce under the Pressure of US Regulations

In tandem with market pull, America's trade policies constitute a powerful rules-based constraint that compels China-Mexico cooperation to shift towards compliance and deep localization. The tariffs imposed by the US on Chinese exports prompted Chinese manufacturers in the target market to shift their final assembly stage to Mexico to take advantage of its preferential access. The strict rules of origin of the USMCA require enterprises enjoying tariff-free treatment to engage in substantial local production,

thus promoting China-Mexico cooperation to go beyond goods trade and move towards a deeper level of technology transfer and capacity building.

3.3 The Fundamental Restructuring of China-Mexico Electronic Trade from Simple Trade to Supply Chain Integration

Under the dual forces mentioned above, the basic logic of China-Mexico electronic trade is undergoing fundamental changes. The core of the corporate decision changed from assessing the operational costs of the domestic market in Mexico to measuring its strategic value in the overall North American supply chain's role shifted accordingly from a sales destination to a "regional supply chain hub" serving the North American market. This means that compliance capability becomes the permit for market access, while long-termism and deep localization embedding become the inevitable requirements for survival and development.

In short, the United States acts as a powerful magnet, attracting resources to Mexico through demand and directing their flow through rules. Understanding this influence is the fundamental precondition for judging any issue of China-Mexico electronic trade.

4 Core Challenges and Countermeasures for Chinese Enterprises in the Mexican Market

Currently, the challenges that Chinese enterprises face in Mexico have evolved beyond mere market competition, transforming into a survival struggle under the pressures of geopolitical dynamics, regulatory changes, and insufficient localization capabilities. Therefore, corporate response strategies must also be upgraded to systematic approaches. This section will first analyze systemic challenges such as policies, supply chains, and credit risks, followed by an explanation of how Chinese enterprises can transition from market entrants to ecosystem collaborators.

4.1 Systemic Risk under Multiple Pressures

Firstly, policy compliance has become the most urgent challenge. In recent years, Mexico's tax policies, such as canceling the tax-free threshold for small packages, significantly increasing tariffs, and forcing platforms to withhold value-added tax, have completely overturned the old model of relying on "low-priced direct mail". Calculations show that the comprehensive tax burden of a low-priced product can exceed 50% of its own value, which directly squeezes the profit margin of small and medium-sized sellers. And according to the industry data, such policies have led to a significant slowdown in the growth of new sellers in early 2025, and the market is undergoing a fierce round of compliance reshuffle (AMVO, 2023).

At the same time, the localization of the supply chain is facing practical bottlenecks. During the peak

season, Mexico's logistics infrastructure comes under immense pressure, leading to online order cancellation rates as high as 43%. (AMVO, 2023). For most enterprises, building or integrating an efficient and stable national logistics network remains a huge challenge in terms of funding and time. Although top companies have launched "five-day delivery" services, building or integrating efficient nationwide logistics networks remains a huge challenge for the vast majority of enterprises.

In addition, commercial credit risk cannot be ignored. Authoritative institutions remind companies to be cautious of payment risks when trading with Mexican buyers, which increases the pressure on their cash flow (China Export & Credit Insurance Corporation, 2023). In addition to operational pressure, enterprises also face fierce ecological competitions. Local platforms represented by Mercado Libre have established strong barriers with their complete payment and logistics ecosystems (Yin, 2021). Chinese companies are often at a disadvantage in collaborations. In addition, the long-standing stereotype of "Made in China is cheap" makes it particularly difficult to charge a premium for brands after tariffs erode price advantages.

4.2 The Strategic Path for Chinese Enterprises to Become Co-Builders of the Mexican E-Commerce Ecosystem

In the face of the challenges mentioned above, Chinese enterprises must implement long-term strategies and the core strategy of "deep localization, compliance and value creation". The first task is to treat compliance as a strategic investment rather than a cost. Enterprises need to view tax and customs compliance as the "ticket" to market access, and actively cooperate with local professional institutions to establish a forward-looking compliance, turning passive response into active management.

The core strategy is to push for the "localization" of supply chains. Enterprises should adopt a phased approach to evaluate and implement the "overseas warehouse + local fulfillment" model. This can not only reduce logistics lead time from weeks to days—thereby improving user experience—but also serve as the most effective means to offset high tariffs.

The fundamental solution lies in achieving localization of brands and marketing. Enterprises need to establish a Spanish-speaking operation team, integrate into local social media, and use local preferences such as influencer marketing and installment payments to establish emotional connection with consumers. The ultimate goal is to gradually build trust through unified visuals, storytelling, and quality service, making the crucial leap from selling white-label products to operating proprietary brands.

Manufacturing enterprises that meet the necessary conditions should actively pursue the integration of manufacturing and services. This responds to the Mexican policy of nearshoring, positioning Mexico as "a regional manufacturing center for the North American market". Moreover, the model transformation from "China's export" to "Mexico's production and sales in the Americas" can be achieved through

investment or technological cooperation, thus avoiding tariffs and getting closer to the market. Therefore, the way out for Chinese enterprises is by no means piecemeal adjustment, but a thoroughgoing self-innovation. This requires enterprises to regard compliance as the bottom line for survival, localization as the core of operation, and to find the irreplaceable value link in the industrial chain, and finally integrate deeply into the North American economic circle. Only by completing this transformation can the current survival crisis be converted into a cornerstone for long-term development in the Mexican market.

5 Prospects for China-Mexico Electronic Trade Cooperation under the Influence of the United States

The United States, as Mexico's largest trading partner and ultimate consumer market, is a decisive external force affecting the China-Mexico electronic trade relationship. In the future, the US will continue to push China-Mexico cooperation to a deeper level through the dual mechanisms of "market demand-driven" and "rule-standard-driven". The model of cooperation will be upgraded from the simple cross-border trade of goods to a deep development model covering manufacturing, logistics, and technical services of the supply chain. This part will specifically analyze this trend of transformation from three dimensions: cooperative mode, competitive basis, and strategic pattern.

5.1 From Simple E-commerce Trade to Deepen into Supply Chain Partnership

Demand in the US and the USMCA rules of origin together set a new bar for "made in Mexico for North America" (USMCA, 2020) . This trend will prompt China-Mexico cooperation to transform from the B2C model of "China's production and direct export" to the B2BC model of "China-US capital and technology + Mexico's location advantages". It is embodied in the nearshore embedding of China's advantageous industries. In order to serve the North American market and avoid trade barriers, China's capital and technology in consumer electronics, new energy vehicles and other fields will be deeply combined with Mexico's advantages of location, labor and free trade agreements. It will not be a simple matter of the number of packages, but will cooperate in depth with the future establishment of factories, R&D centers and industrial clusters in Mexico.

Meanwhile, modern service sectors that support trade will also collaboratively go global. Logistics warehousing, digital payments, cloud computing, and other productive service industries will be deployed in step with manufacturing investment. Chinese companies will be transformed into co-builders of Mexico's digital commerce infrastructure, upgrading from "sellers" to "ecosystem partners", sharing the long-term development dividends.

5.2 The Competitive Upgrade from Cost Advantage to Systemic Resilience

In the new context of the United States emphasizing “supply chain security”, cost is no longer the only competitiveness, and the reliability and agility of the system become equally important. This requires China and Mexico to cooperate to tap new competitive advantages. On the one hand, comprehensive compliance capabilities become the cornerstone of operations. In the Mexican market, comprehensive compliance with standards such as taxation, data, and environmental protection is a prerequisite for enterprises to obtain long-term operating permits. The strategic value of building a traceable, transparent, and trustworthy supply chain system has gone beyond the pursuit of a single low cost.

On the other hand, building regional agile response networks has become a core competitiveness. Mexico’s value lies in its close proximity to the North American market. So the key to China-Mexico cooperation is whether China’s flexible manufacturing and digital capabilities can be deeply integrated with Mexico’s local operations and rapid network to form a regional supply chain that is more agile than the long chain in Asia and more cost-effective than local production in the United States.

5.3 From Bilateral Complementarity to Global Supply Chain Integration

China-Mexico electronic trade relations will transcend the traditional bilateral framework and be deeply embedded in the global industrial restructuring, especially the reconstruction of the North American regional supply will become a key link in it.

For China, Mexico’s strategic role will evolve from “export market” to “springboard, buffer zone and innovation testing ground” : a springboard for North America, a buffer zone for responding to uncertainties in global trade, and an innovation testing ground for localized product adaptation.

This process will promote common development in dynamic equilibrium. Mexico will seek to maximize its interests by balancing between China and the United States, using Chinese capital and technology to develop its own industries while meeting U.S standards and rules. Chinese companies, meanwhile, need to adapt to the complex environment and build a sustainable “local identity” in Mexico through technology sharing, job creation and community integration, achieve a truly rooted presence.

In short, China-Mexico cooperation under the influence of the United States will be to co-shape a new economic ecology that is more resilient, innovative, regionally integrated. This will drive Chinese companies to shift from a tactical mindset of “cross-border e-commerce” to a strategic layout of “global supply chains”, thus turn challenges into strategic opportunities to found a competitive edge for the next several decades.

6 Conclusion

In summary, the electronic trade between China and Mexico, influenced by the United States as a key factor, is not simply a traditional bilateral trade. Its essence is a forward-looking exploration of the deep

restructuring of the global supply chain formed by changes in global trade policies and other factors, that is to say, the prospects of China-Mexico electronic trade will shift from “trade flow” to deep cooperation at the supply chain level.

Firstly, in addition to being the main pressure for China-Mexico trade, the United States is also an important market attraction for China Mexico cooperation. The electronic trade between China and Mexico is essentially a trade within the “US-Mexico-China” triangular structure.

Secondly, the role of enterprises needs to shift from sellers to co-builders of the local ecosystem. Chinese enterprises can use preferential policies towards Mexico, such as those in the USMCA, to further penetrate the vast US market, which also drives Chinese enterprises to transform their approach to Mexico from simply exporting to a development model centered on compliance and localization.

Finally, the significance of the transformation and upgrading of the development model of China Mexico trade lies not only in itself, but also in providing important experience for Chinese enterprises and the globalization of the digital economy. Against the backdrop of trade rule restructuring, the rise of regionalism, and the digital wave, the development model of “embedded in compliance, symbiotic with localization” that has been explored in the Mexican market holds crucial implications for deepening China’s economic and trade cooperation with other emerging markets.

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Author Contributions

The authors acknowledge their responsibility for the following: research conception and design, data collection, results analysis and interpretation, and manuscript writing.

Availability of Data and Materials

The authors confirm that all data generated or analyzed during this study are included in the published articles in the references.

Conflicts of Interest

The authors declare that they have no conflicts of interest to report regarding the present study

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