MEXIC (

May 15th, 2020

On May 13<sup>th</sup>, President López Obrador announced the "New Normality" strategy, developed jointly by the Secretariat of Foreign Affairs (SRE), Labor and Social Welfare (STPS), Interior (SEGOB), Health (SS) and the Mexican Institute of Social Security (IMSS) to make an **orderly**, **staggered** and **regionalized return** to the country's labor, economic and social activities.

In an effort to contribute **to preserve the North American value chains**, the guidelines announced allow for the **re-opening of the following industries beginning May 18<sup>th</sup>**, now to be considered essential: **i) construction**; **ii) mining, and iii) transportation manufacturing** (including automotive and aerospace), **as long as health security protocol processes have been established and approved.** 

**The strategy consists of three stages**: (1) contagion-free municipalities; (2) preparation of health security protocols, and (3) "traffic light" model implementation.

### **Stage 1** - Contagion-free municipalities

Between May 14<sup>th</sup>-17<sup>th</sup>, **269 municipalities in 15 states with no COVID-19** infections and no neighboring-municipalities with confirmed cases, began implementing

sanitary fences to prevent visitors from infecting the population. These municipalities will be able to resume their activities on May 18<sup>th</sup>.

The evolution of these municipalities will be closely monitored, and health sessions will be held in order to ensure that they remain **contagion-free**.



### **Stage 2** Preparation of health security protocols

From May 18<sup>th</sup> to June 1<sup>st</sup>, the companies or industries that carry out essential activities must establish sanitary security protocols and mechanisms in accordance with the general guidelines established by the Secretariat of Health (SS), Economy (SE), Labor and Social Welfare (STPS) and the Mexican Institute of Social Security (IMSS).

The sanitary security protocols should include the following measures to ensure the safety and health of their employees:



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1	Each company should comply with the sanitary protocols for the safe restart of activities
2	Personnel training about safety in the work environment
3	Readjustment of spaces and production processes
4	Entrance checkpoints, sanitation and hygiene of the workplace

The mandate for sanitary security protocols and mechanisms of Stage 2 requires exporting automotive and auto parts industry companies to also apply the protocols required by their countries of origin. If a company concludes these requirements and they are approved before June 1<sup>st</sup>, 2020, they may begin operations earlier than the 1<sup>st</sup> of June.

### **Stage 3** "Traffic light" model implementation

Every week, the Secretariat of Health (SS) will announce how the "traffic light" model will apply for each geographic region. Each traffic light color (red, orange, yellow and green) will be associated with the level of activities that will be allowed (economic, educational and social).

Maximum Health Alert	Only essential activities are allowed, including <b>construction</b> , <b>mining</b> and <b>transportation manufacturing sectors</b> .
Hight	Essential and non-essential activities at a reduced level and open public spaces are allowed. Maximum care for vulnerable workers.
Medium	Essential and non-essential activities will be allowed without restriction.  Minor restrictions for open public spaces and greater for closed public spaces (churches, museums, cinemas, theatres, restaurants).
Low	Resumption of school, social and leisure activities. Full economic activity.

Companies or industries that do not comply with these guidelines will be closed for putting the health of their workers at risk.

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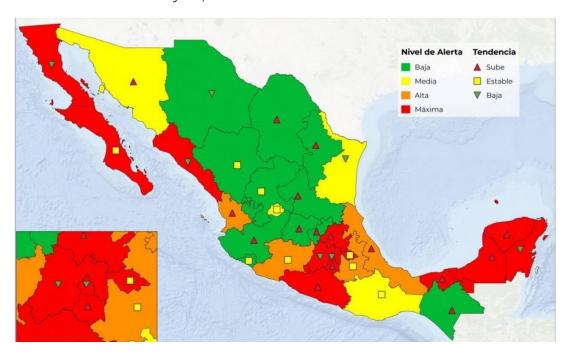


Figure 1 - Situation as of May 12th, 2020 (this map will be modified on a weekly basis)

There is a coordinated, permanent and effective dialogue between the **Secretariat of Economy (SE)** and the **Office of the United States Trade Representative (USTR)** to preserve supply chains and protect bilateral trade.

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#### ANNEX

- The following is an unofficial courtesy translation of the Agreement published in the Official Gazette on May 14th regarding the reopening of social, education and economic activities, as well as the establishment of a "traffic light" system by region to evaluate the epidemiological risk related to the reopening of activities in each state; and includes the modifications established to the ARTICLE SECOND, section 2 and the ARTICLE FOURTH in the Agreement published in the Official Gazette on May 15th. (\*)
- The purpose of this translation is to easily visualize the complete guidelines published in the Official Gazette. This translation does not include the considerations of the Agreements.
- To view the complete, separate Agreements, please visit the following links to the Official Gazette:
  - Official Gazette (May 14th, 2020) https://www.dof.gob.mx/nota\_detalle.php?codigo=5593313&fecha=14/05/2020
  - Official Gazette (May 15th, 2020) https://www.dof.gob.mx/nota\_detalle.php?codigo=5593411&fecha=15/05/2020

#### **AGREEMENT**

**ARTICLE FIRST.-** The purpose of this Agreement is to establish a strategy for the reopening of social, educational and economic activities, as well as a "traffic light" system by regions to assess the epidemiological risk related to the reopening of activities in each federal entity, as well as to establish extraordinary actions.

**ARTICLE SECOND.-** The strategy consists of reopening activities in a gradual, orderly and cautious manner, considering the following stages:

- i) Stage 1.- Starts May 18th, 2020, with the reopening of activities in the municipalities where no cases of Covid-19 have been detected, and that are not in the vicinity of municipalities with cases of Covid-19;
- \*ii) Stage 2.- Covers May 18 31, 2020, and consists of carrying out actions of general application aimed at preparing for the reopening of activities in general, such as the development of health protocols for the safe restart of activities, training of personnel to guarantee safety in the workplace, restructuring of production areas and processes

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, as well as the implementation of entry filters, sanitation and hygiene of the workspace, among others that the Ministry of Health (SS) may determine, and

(iii) Stage 3.- Beginning June 1, 2020, according to the regional light system for the reopening of social, education and economic activities.

**ARTICLE THIRD.-** The light system referred to in Articles First and Second and incorporated as an Annex to this Agreement, establishes by colours the appropriate health security measures for work, education activities and the use of public spaces, among others.

\*ARTICLE FOURTH.- It is established as an extraordinary action that the activities of the construction industry, mining and that relating to the manufacture of transportation equipment, will be considered essential activities.

Firms engaged in the activities referred to in the previous paragraph may retake operations on June 1, 2020, for which they must take into account the following:

- I. The initial preparation period starts May 18th, 2020:
  - Companies or industries engaged in activities considered essential, must present sanitary security protocols in accordance with the general guidelines established by the Secretaries of Health, Economy and Labor and Social Welfare;
- II. The presentation, application and approval of the protocols, referred to in the previous section, may take place at the same time that the preparation measures for the entry into operation of the companies are carried out;
- III. The period from May 18 to June 1, 2020, is for companies to establish their protocols and mechanisms of health safety in accordance with the guidelines for health safety in the workplace, published by the Ministry of Health, in coordination with the Secretariats of Economy and Labor and Social Welfare, as well as with the Mexican Institute of Social Security;
- IV. If the process is concluded and approved before June 1, 2020, the corresponding company or industry may begin its operations, and
- V. It is clarified that this is a goodwill agreement; however, if a company does not comply with the requirements stated above and puts the health of their workers at risk, it will be closed.

In the case of companies in the automotive industry and auto parts dedicated to export, in addition to what is stated in the previous factions, they must apply the protocols required in the countries of their origin.

**ARTICLE FIFTH.-** Municipalities where, as of May 18, 2020, have no registered COVID-19 cases and that, in addition, are not surrounded by neighboring municipalities that

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have registered COVID-19 cases, may resume school activities, public mobilization in closed or open spaces, as well as essential and non-essential work activities.

The Ministry of Health shall, by May 17, 2020, through a technical communication to be issued on its website (<a href="www.salud.gob.mx">www.salud.gob.mx</a>) will publish those municipalities referred to in the previous paragraph. In addition, the Ministry of Health, in coordination with health authorities of each federal entity, will establish COVID-19 prevention and control measures specific to these municipalities.

In municipalities with indigenous populations, the "Guide for the care of indigenous and Afro-Mexican people and communities during the health emergency generated by the SARS-CoV2 virus" should also be implemented.

#### **TRANSITORY**

**FIRST.-** This Agreement shall enter into force on the day of its publication in the Official Journal of the Federation and shall be in force until the contingency that originated it is declared as finished.

Given in Mexico City, on May 13, 2020.- The Secretary of Health, Jorge Carlos Alcocer Varela.-

\*Modifications to the Agreement given in Mexico City, on May 15th, 2020.- The Secretary of Health, Jorge Carlos Alcocer Varela.-

#### **REGIONAL LIGHT SYSTEM**

### Activities allowed as of June 1, 2020:

Region	Activity	Description of activities
	Schools	Suspended
Red	Public spaces	Suspended
	Only essential economic activities	Only those work activities considered essential
	Schools	Suspended
Orange	Public spaces	Reduced access allowed to public space activities in open spaces. Suspended in closed spaces.



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	General economic activities	Essential and non essential work activities with reduced operation
Yellow	Schools	Suspended
	Public spaces	Access allowed to public space activities in open and closed spaces with certain restrictions
	General economic activities	All work activities
Green	Schools	
	Public spaces	No restrictions
	General economic activities	