



## Overview of Mexico

Updated December 2010

### The Canadian Trade Commissioner Service presents a Global Commerce Strategy Priority Market

Over the past two decades, Mexico<sup>1</sup> has made impressive progress in transforming itself from an oil-dependent, protectionist nation into a modern, diversified economic player that is increasingly integrated into the North American economy and the world. The country has opened up to competition in seaports, railroads, electricity generation, natural gas distribution, airports and, to a certain degree, telecommunications. Key challenges for the country include further opening of the energy and



Mexico City, Mexico

competitiveness of Mexican enterprise, attracting foreign investment and investing in the country's human capital and physical infrastructures. Mexico's reforms are opening up opportunities for Canadian companies across a broad range of sectors. With bilateral free trade agreements (FTAs) with over 40 countries and growing interest in the U.S. and Latin America among Mexican conglomerates, Mexico will be an increasing competitor for foreign direct investment seeking an entry into North America and Latin America.

#### Commercial Relations, 2009

- Canada's bilateral merchandise trade with Mexico was close to \$21.4 billion.
- Canadian merchandise exports to Mexico declined 17.8 percent to \$4.8 billion. About 75 percent of Canada's exports to Mexico are manufactured products, including motor vehicles and parts, electrical machinery and electronic equipment, and machinery.
- At over \$16.5 billion in imports, Mexico is now Canada's third most important merchandise supplier.

#### *Fast Facts*

**Capital:** Mexico City  
**Total Area:** 1,972,550 km<sup>2</sup>  
**Population:** 107.6 million  
**Languages:** Spanish  
**Type of Government:** Federal republic  
**GDP:** \$998.8 billion  
**Per capita GDP:** \$9,287  
**Main Export Destinations:** United States, Canada, Germany, Colombia, Brazil  
**Main Import Sources:** United States, China, Japan, South Korea, Germany  
**Main Canadian Exports (millions):** Electrical and electronic machinery & equipment (\$1.0 billion), Motor vehicles (\$629.1), Machinery (\$575.4), Grain & oil seeds (\$473.1), Cereals (\$287.7)  
**Main Canadian Imports (millions):** Electrical and electronic machinery and equipment (\$5.0 billion), Motor vehicles (\$3.7 billion), Machinery (\$2.5 billion), Scientific and precision instruments (\$602.8), Furniture and bedding (\$594.3)  
**Currency:** C\$1 = 11.84 Mexican pesos (MXP)

telecommunications sectors, enhancing the

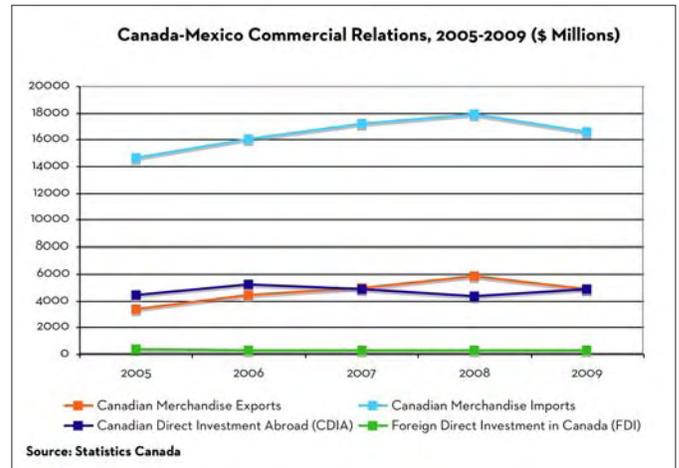
<sup>1</sup> Unless otherwise stated, all data is for 2009 and expressed in Canadian dollars. All data based on latest available national statistics drawn from a variety of sources, including Statistics Canada, Export Development Canada, Bank of Canada, IMF WEO, UNCTAD.

- Canadian direct investment holdings in Mexico reached nearly \$4.9 billion. Canadian investment in Mexico is evident in banking, mining, energy, urban and rail transit equipment, aerospace, automotive and agri-food.
- It is estimated that more than 2,800 Canadian companies are active in the Mexican market, and over 3,000 more are working on their first sale there.

### Market Opportunities

The Government of Canada has identified Mexico as a Global Commerce Strategy (GCS) priority market—based on extensive consultation with Canadian business and industry representatives, academics and government—and has developed a comprehensive Market Plan that identifies the following key sectors as offering clear market opportunities well suited to Canadian capabilities and interests in Mexico:

- Automobile and Advanced Manufacturing:** Approximately 75 percent of Canada's exports to Mexico are manufactured products, including motor vehicles and parts, electrical machinery, and electronic equipment, and machinery.
- Agriculture, Food and Beverages:** Canadian agri-food products are in high demand as Mexican consumers associate them with quality, value and health.
- Metals and Minerals (Mining):** The Mexican mining sector is of key interest to Canadian business, where Canadian Direct Investment Abroad is often used as a market entry strategy.
- Environmental Industries:** Strong growth in the environmental sector is creating opportunities in water treatment, solid waste management and renewable energy.
- Information and Communication Technology (ICT):** Mexico's ICT sector continues to grow particularly in the wireless and gaming sectors.



### Government Leadership and Support

Canada's most important trade policy instrument with the U.S. and Mexico is the North American Free Trade Agreement (NAFTA), which has revolutionized continental trade and investment and helped unlock our region's economic potential. The Government of Canada is committed to leveraging the NAFTA to further strengthen our nation's continental linkages, including by expanding border infrastructure, improving border processes, aligning national standards and regulations, and other measures to improve the speed, ease and costs associated with the cross-border movement of goods and services throughout North America. Canada's Trade Commissioner Service in Mexico—with trade commissioners located in Guadalajara, Mexico City and Monterrey—provides Canadian businesses with the information, advice and support they need to advance their commercial and investment interests in Mexico. Trade Commissioners also place a special emphasis on promoting Canadian competitiveness and on addressing the awareness gap among Mexican researchers and R&D-driven companies with regard to Canada. The Trade Commissioners also showcase Canada as an investment destination. Domestically, Canadian Trade Commissioners monitor and encourage the retention and expansion of existing Mexican investment in Canada.

### Market Access

Canada and Mexico share a dynamic and prosperous relationship. Through over 65 years of diplomatic relations, as well as common membership in a wide range of hemispheric and international organizations, bilateral cooperation has expanded steadily across a wide range of social, economic, business, environmental and security interests. Today, ongoing work is grounded in a number of important mechanisms, including the:

- 1994 North American Free Trade Agreement
- 2004 Canada-Mexico Partnership
- 2009 North American Leaders Summit

### The Canadian Trade Commissioner Service

#### **Mexico City**

Schiller 529, Polanco 11560  
Mexico City, D.F., 11560, Mexico  
Tel: (011-52-55) 5724-7900  
Fax: (011-52-55) 5724-7982  
Email: [mexico.commerce@international.gc.ca](mailto:mexico.commerce@international.gc.ca)

#### **Monterrey**

Torre Gomez Morin 955  
Ave. Gomez Morin No. 955,  
Suite 404  
Col. Montebello  
66279 San Pedro Garza  
Garcia, N.L. - Mexico  
Tel: (011-52-81) 8378-0240  
Fax: (011-52-81) 8356-9965  
Email: [monterrey@international.gc.ca](mailto:monterrey@international.gc.ca)

#### **Guadalajara**

Avenida Mariano Otero #1249,  
World Trade Centre, Torre Pacifico, Piso 8 Col. Rinconada del  
Bosque  
Guadalajara, Jalisco, 44530, Mexico  
Tel: (011-52-33) 3671-4740  
Fax: (011-52-33) 3671-4750  
Email: [gjara@international.gc.ca](mailto:gjara@international.gc.ca)

---

For further information about Mexico, visit the Foreign Affairs and International Trade Canada website at [www.international.gc.ca](http://www.international.gc.ca) or contact the Trade Commissioner Service at 1-888-306-9991.

The Government of [Canada's Market Plan for Mexico](#) is available on the Virtual Trade Commissioner website at [www.tradecommissioner.gc.ca](http://www.tradecommissioner.gc.ca).

Read the Market Sector Reports, prepared by the Canadian Trade Commissioner Service, related to [Mexico](#).