

Mexico: Open for Business

Maricopa County Association of Governments Mission
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U.S. Embassy Mexico City



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

The U.S. Commercial Service: Who We Are

- An Agency of the U.S. Department of Commerce
- Mission
 - Help U.S. exporters sell in Mexico
 - Attract investment to the United States
 - Protect U.S. business interests abroad
- Offices
 - Three in Mexico
 - 100+ offices in the U.S.
 - 75 world-wide



What We Do:

Opening Markets for U.S. Business in Mexico



- **Trade and Investment Promotion**
Matching U.S. sellers and foreign buyers
- **Commercial Diplomacy**
Breaking down regulatory barriers
- **Advocacy**
Fighting for U.S. success
in foreign government procurement
- **Market Access**
Keeping trade agreements working for U.S. business
- **Protecting Intellectual Property**
Enforcing trademarks, patents, copyrights, and more
- **Enforcement and Compliance**
Striking back at unfair dumping and subsidies
- **Safeguarding Technology**
Verifying proper end-use of sensitive technology



Mexico Snapshot (2018)

Population: 125 million

3.4% unemployment

Inflation: 4.7%

Remittances: \$30.3 billion

FDI into U.S.: \$35.4 billion

GDP per capita (PPP):

\$18,123 / 2.2% real growth (est. 2018)



Key facts

- 15th largest world economy
- 80% urban population
- 44% population under 25
- Poor/ Extreme Poor: 44%
(under USD \$10 per day)
- 2017 World Competitiveness: 51st (WEF)
- 2017 Corruption Perceptions Index: 135/180 in world (TI)



The \$616 Billion U.S.-Mexico Trade Relationship

Exports 2017 (USD billions)	U.S. to Mex	Mex to U.S.	Total
Goods	243	314	557
Services	33	26	59
Totals*	276	340	616

**Totals due not precisely sum due to rounding*

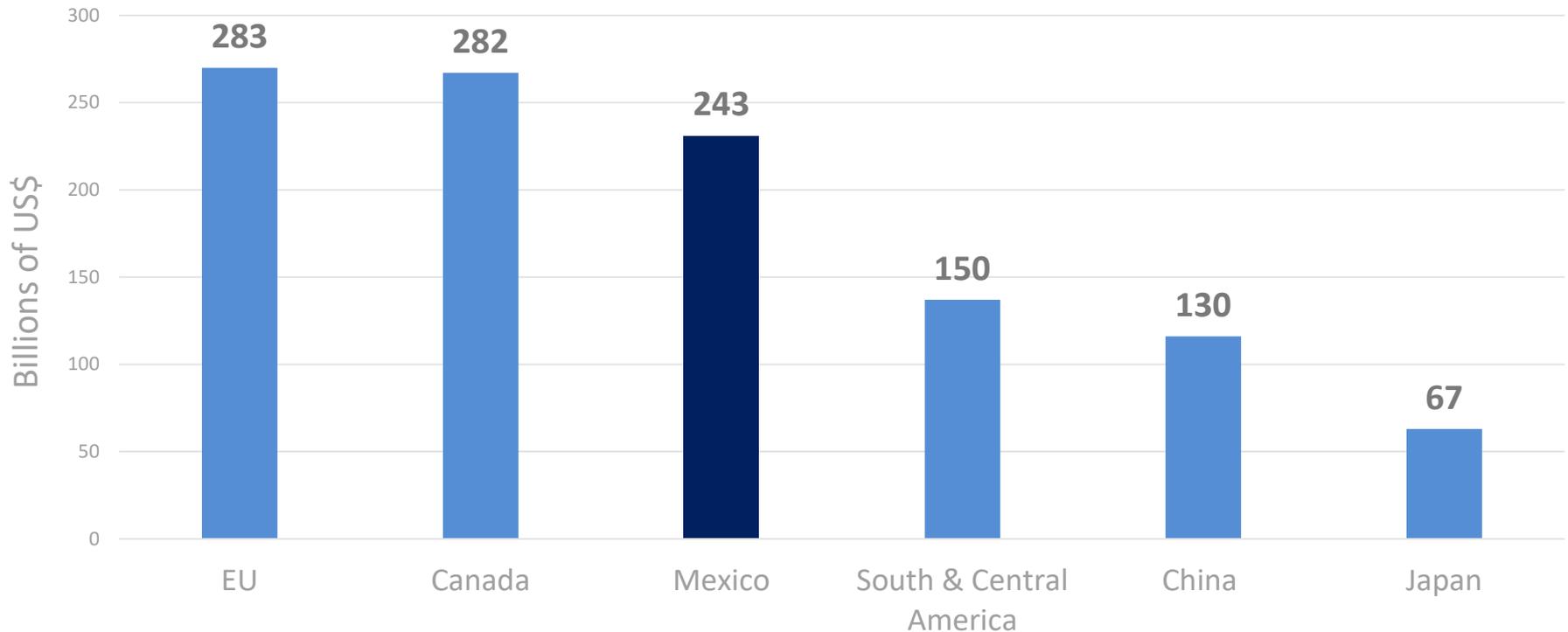
Sources: Goods figures U.S. Census Bureau, Services figures U.S. Bureau of Economic Analysis

- **3rd largest** U.S. trading partner
- Our **2nd largest** export market
- **1st or 2nd export destination** for 27 American states
- **\$1.7 billion a day** in two-way goods and services trade
- **Over 50,000** U.S. small and medium-sized enterprises export to Mexico



A Top Destination for U.S. Goods' Exports

U.S. Manufacturing Exports, 2017



Source: U.S. Dept. of Commerce, U.S. Census Bureau



Principal Merchandise Trade

Principal U.S. Merchandise Exports to Mexico

Product	Value (US\$bn)	% Total
Oil (Not Crude)	\$20.67	8.5%
Motor Vehicle Parts/Accessories	\$15.95	6.6%
Office Machinery and Parts	\$10.53	4.3%
Misc. Express Shipments	\$6.78	2.8%
Electronic Integrated Circuits	\$6.32	2.6%

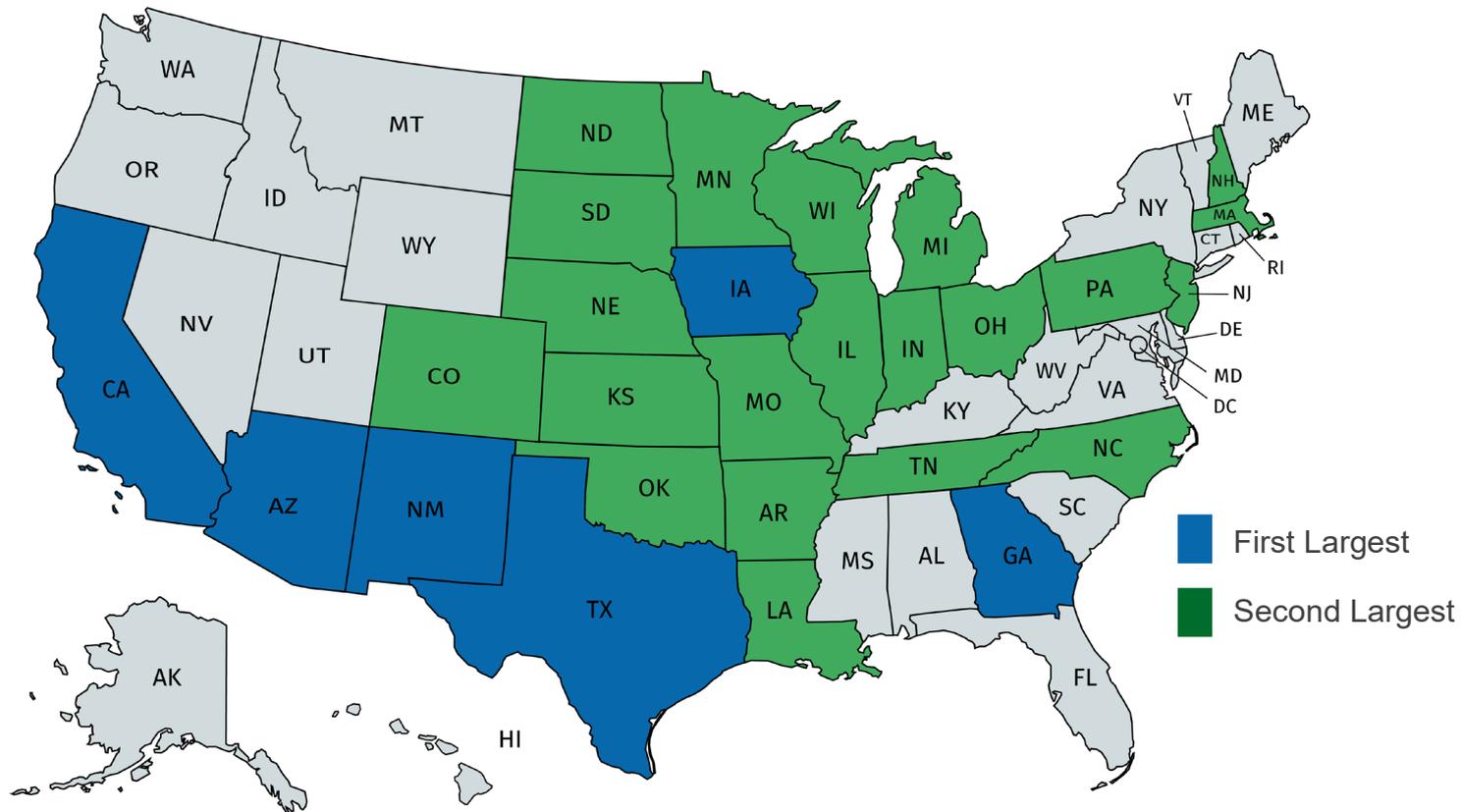
Principal U.S. Merchandise Imports from Mexico

Product	Value (US\$bn)	% Total
Passenger Vehicles	\$30.40	9.1%
Cargo Vehicles	\$22.85	7.3%
Vehicle Parts / Access.	\$22.76	7.2%
Data Processing Machines	\$20.03	6.4%
Electronic Apparatus/Parts	\$11.02	3.5%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis



U.S. States for which Mexico was #1 or #2 Merchandise Export Destination, 2017



Source: U.S. Dept. of Commerce, U.S. Census Bureau



Best Prospects for U.S. Exporters

Aerospace

Agricultural

Agribusiness

Automotive Parts & Supplies

Building Materials & Services

Electronics

Education & Training Services

Energy

Enviro Technologies + Water

Franchising

Health Care IT/Medical Devices

Infrastructure

Internet & IT Services

Mining

Packaging Equipment

Plastic Materials/Resins

Security and Safety

Smart Grid

Telecom Equipment

Trans. Infrastructure Equip./Svcs.

Travel and Tourism Services



Tip: Market Entry Strategies



- **Mexican Presence**
 - Find a local representative or distributor
 - Reassures buyers on initial training, spare parts and service
- **Local or Regional Representative**
 - Choose local reps for specific parts of Mexico
 - Yields better results than a single, nation-wide distributor
- **Price**
 - Important, but not necessarily the deciding factor
 - Be sure to sell on value, quality, service
- **Spanish**
 - Provide brochures, catalogs, and printed materials in Spanish
 - Keep websites international-user-friendly



Select Upcoming Events in 2018

FAMEX 2019

Aerospace and Defense

April 24-26, 2019, Santa Lucia Air Base

Expo Seguridad Mexico 2019

Safety and Security Products and Services

May 7-9, 2019, Mexico City

Isthmus de Tehuantepec Opportunity Mission

Construction and Infrastructure Projects

April 12-23, 2019, Coatzacoalcos, Salina Cruz, Dos Bocas

Plastimagen

Plastics Manufacturing Products/Services

April 2, 2019. Mexico City



Resources

- **Visit the U.S. Commercial Service Mexico Website**
 - Contact information, upcoming events, and more
 - <http://www.export.gov/mexico/>
- **Download the CS Mexico Country Commercial Guide**
 - Guide to exporting to Mexico
 - Detailed best prospect industry profiles, economic indicators, statistics
 - Contact information for the appropriate sector specialist
 - Web search on “CS Mexico Country Commercial Guide 2018”
 - Or go to <https://www.export.gov/article?id=Mexico-Market-Overview>



Contact us today
to connect with a world of opportunity.

export.gov/mexico

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Connecting You to Global Markets



Mexican FDI Services and FDI Stats



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Mexican FDI In the United States

\$35,408 USD (2017)

- 19th largest investor in the U.S.
- Top 6 industry sectors of Mexican FDI in the U.S. 2007-2016
 - Food Processing
 - Metals
 - Building & Construction Materials
 - Automotive Components
 - Plastics
 - Business Services



Sources: Bureau of Economic Analysis (latest available as of August 2017), FDI Markets (data from July 2008 – June 2017)
* The market-specific number has been suppressed to avoid disclosure of individual companies' data

Mexican FDI in the USA (in USD millions)

	2012	2013	2014	2015	2016
Position (UBO)	\$27,807	\$31,820	\$33,302	\$34,284	\$34,400
Flow	\$304	\$3,157	\$1,742	\$1,059	\$2,036

U.S. FDI in Mexico (in USD millions)

	2012	2013	2014	2015	2016
Position	\$104,388	\$86,433	\$86,976	\$86,795	\$87,635
Flow	\$11,635	\$6,078	\$5,856	\$6,886	\$5,234



Investment Support: Select USA

- **Mission**
Promote and facilitate business investment in the United States
- **Clients**
U.S. States, Regions, Cities, and Foreign Investors
- **Services**
 - For Companies: We help find information to make decisions, connect to local officials, and navigate the federal regulatory system
 - For Economic Development Organizations: We help U.S. locations compete globally for investment by providing information, a platform for international marketing, and high-level advocacy

