Mexico’s Strengths
Economic relation
Mexico-United States-Canada

Canada
$266 billions of dollars in 2016

United States
$525 billions of dollars in 2016

Mexico
NAFTA
Mexico- United States Economic relationship

• US exports have been increased by 454%. Raising taxes could trigger a commercial warfare as well as wreak havoc on the production chains.

  • Leaving NAFTA could paralyze trade and cause recession in border communities.

  • Mexico has cut production costs down 4% than china and japan.

• NAFTA paved the way for the current economic ecosystem in border cities by allowing US companies to send material to production plants in Mexico for assembly and return, usually without paying taxes as final products with lower prices.

Source: SHCP (Secretary of finance and public credit)
Mexico is the third most important trade partner for the U.S.

- Mexico is the first or second market for 29 out of 50 US states.
- Mexico is the second US exports buyer
- The Bilateral relationship with Texas is greater than the relationship between the US with any European country.

Source: SHCP
NAFTA brought strong economic integration
Texas grew faster than the national average even before the recession of 2008

Source: U.S. Census Bureau; Wisetrade.
Texas is Mexico’s main trade partner

- 2016 Mexico-Texas trade: $173.7 billion USD

- Since the beginning of NAFTA, exports from Texas to Mexico grew 355% (1994-2016)

Canciller Luis Videgaray Caso, Mayo 2017
Job creation from 1992 to 2014 has increased 82%

The number of jobs that depend on trade in Texas:

3,150,600

These jobs related to trade grew 1.5 times faster than other economic activities

source: http://www.usglc.org/texas/facts-figures/
BORDERPLEX:
JUAREZ-EL PASO-LAS CRUCES
United States-Mexico Border map

Source: Border Industrial Association
Importance of Mexico in the Border States

- Mexico is the 3rd most important trade partner for the U.S.
- Mexico is vital for the border bilateral trade.

Source: census.gov
How’s Mexico doing today?

• It is the world's 14th economy

• Receives 35 million tourists a year

• 15 million Americans visit Mexico

• 1st place in the aerospace industry

• 4th place as automotive producer

Source: SECTUR
Strong and prudent public debt management

Low debt level
47.9%

75.9% of total federal government debt is in pesos.

Source: Fiscal Monitor, April 2016.
*For Mexico HBPSBR Precriterios 2017, SHCP.
Excluding the Oil Sector, the Mexican economy has grown at a rate of over 3% since the end of 2014.

- Over the last years the Mexican economy reduced its exposure to the oil industry.
- Oil activities account for only 6.3% of GDP.

Source: INEGI.
*Extraction of oil and gas, mining-related services and oil and coal byproducts.
** INEGI IQ16 Flash GDP Estimate. Oil and Non-Oil breakdown not available.
Structural Reforms have contributed to the strengthening of Of the performance of key sectors in the Mexican economy.

- Energy
- Education
- Labor
- Legal
- Finance
- Telecomm

Strengthen the institutional environment to promote competition and investment

Promote competition and better conditions for financing

Encourage competition and investment

Improve productivity and boost investment

Improve human capital

Promote flexibility and formality

Boost And Increase Productivity
Immigration

Immigration from Mexico to the US has provided the workforce needed to support economic growth of key sectors in the US over the last two decades: Construction, Agricultural and Services, among others.

- However, migration from Mexico to the US has declined since 2005. In fact, since 2009, more Mexicans have returned to Mexico than migrated to the US.

Border

- Nearly 1,000,000 people and 370,000 vehicles legally cross the border daily.
- More than $1 billion worth of goods pass through the 42 border crossings every day ($ 52 million an hour).
“…curbing immigration could hurt the growth of the world's largest economy.”

Chair of the Federal Reserve Bank
THANK YOU