

Mexico's role in North America's auto industry

**U.S.-Mexico Manufacturing: Back in the Race
El Paso, TX
October 9, 2015**

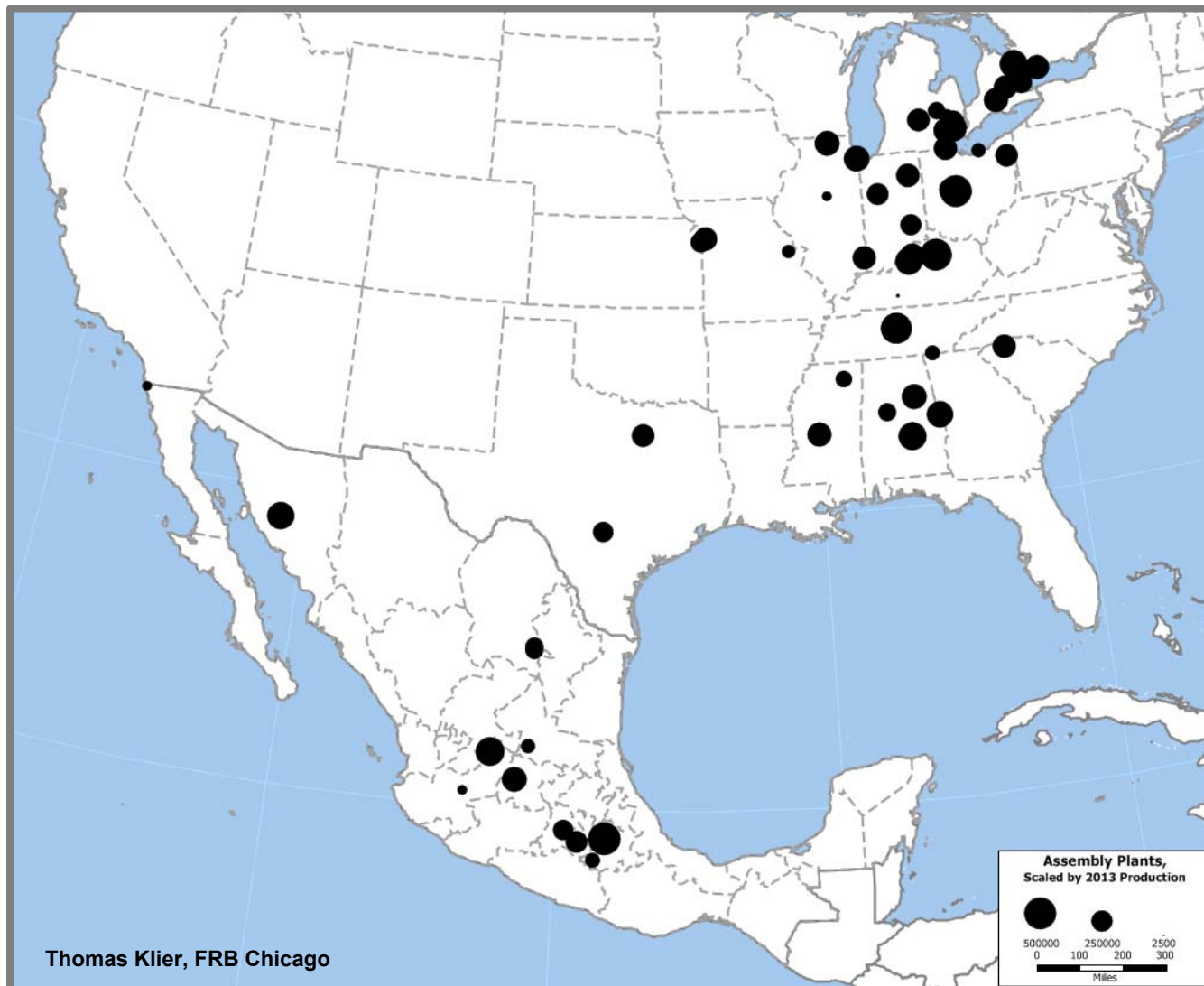
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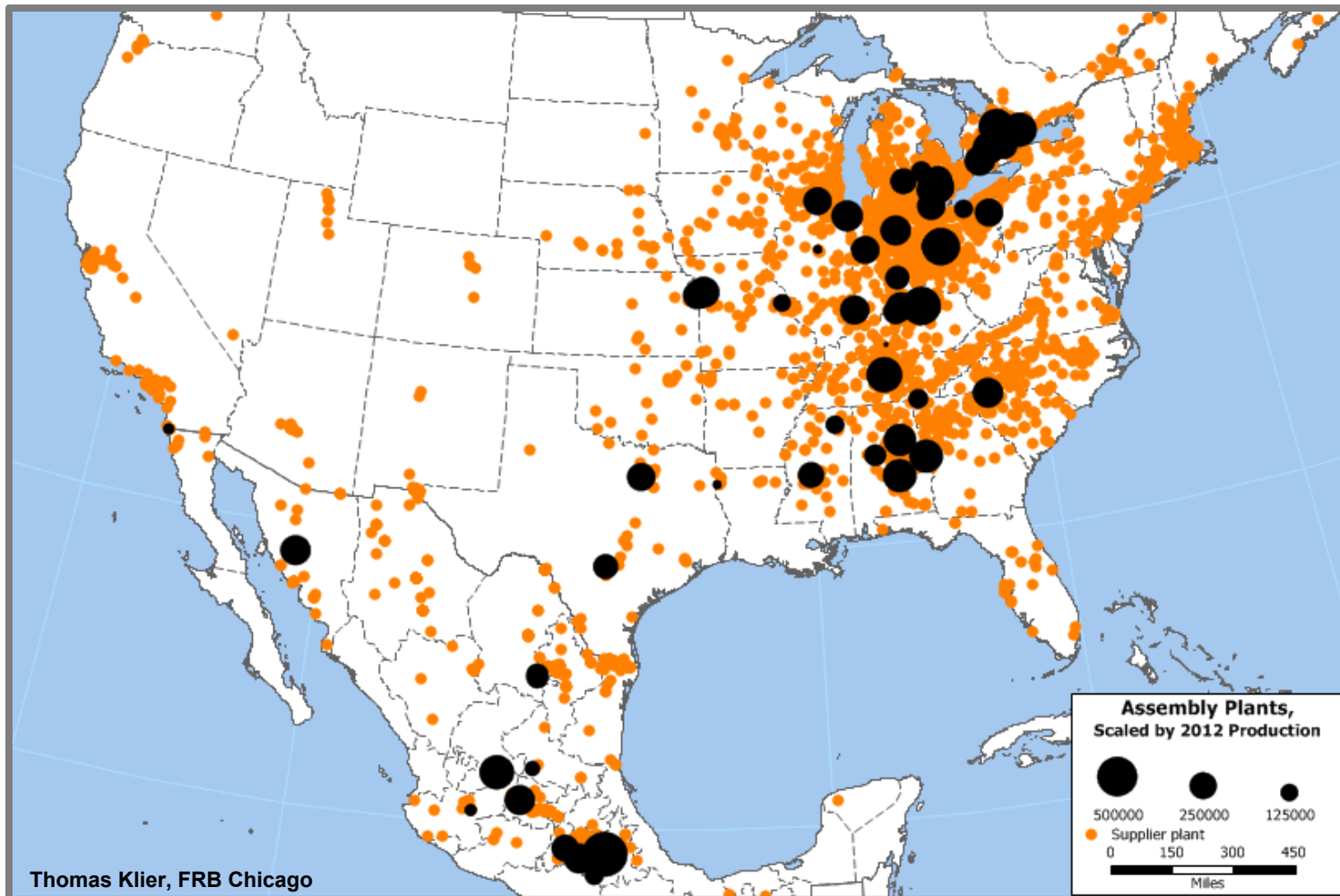
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Vehicle production in North America

2013



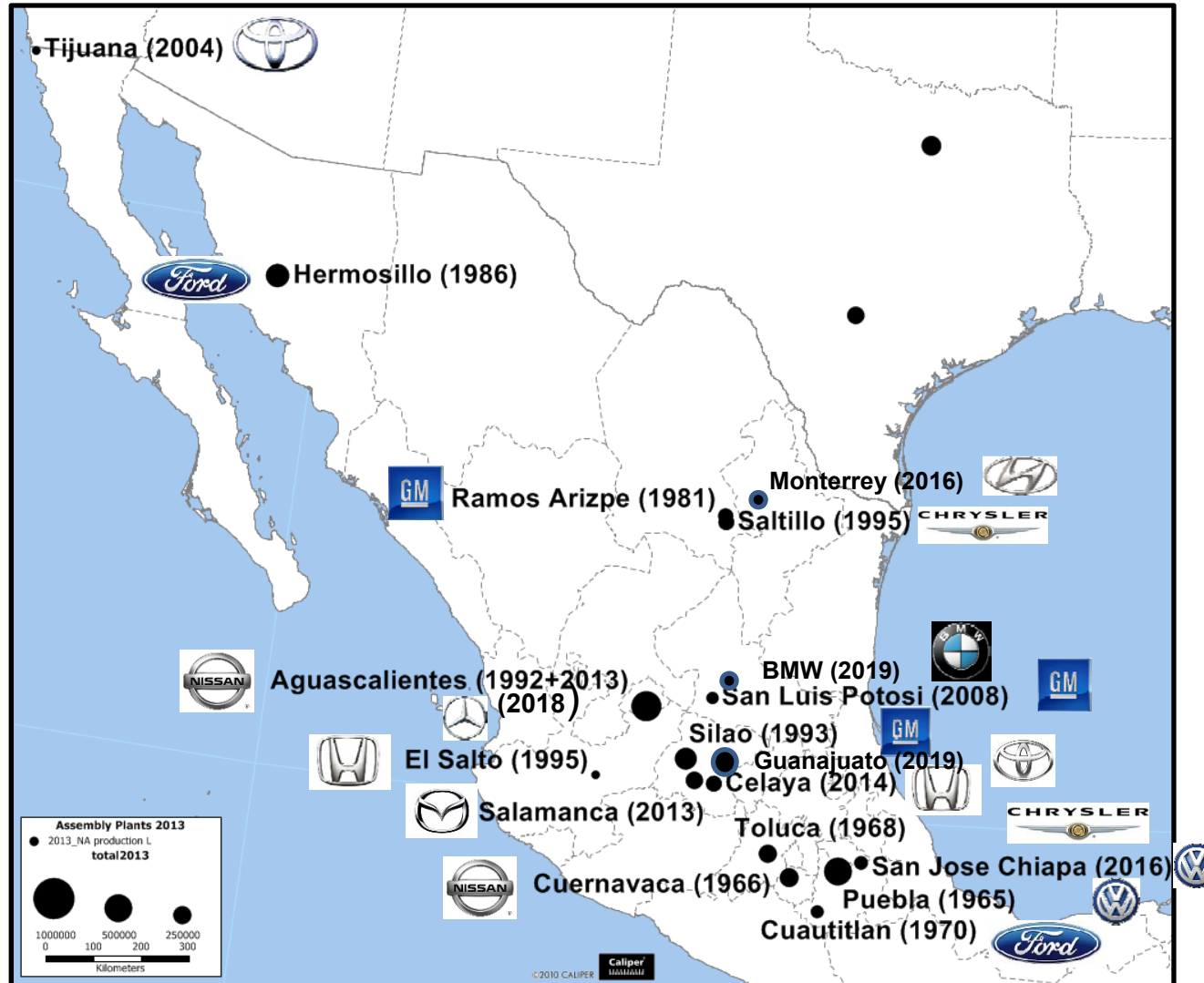
Parts and vehicle assembly co-locate



2013

Thomas Klier, FRB Chicago

Mexico's light vehicle assembly plants



North America in the world

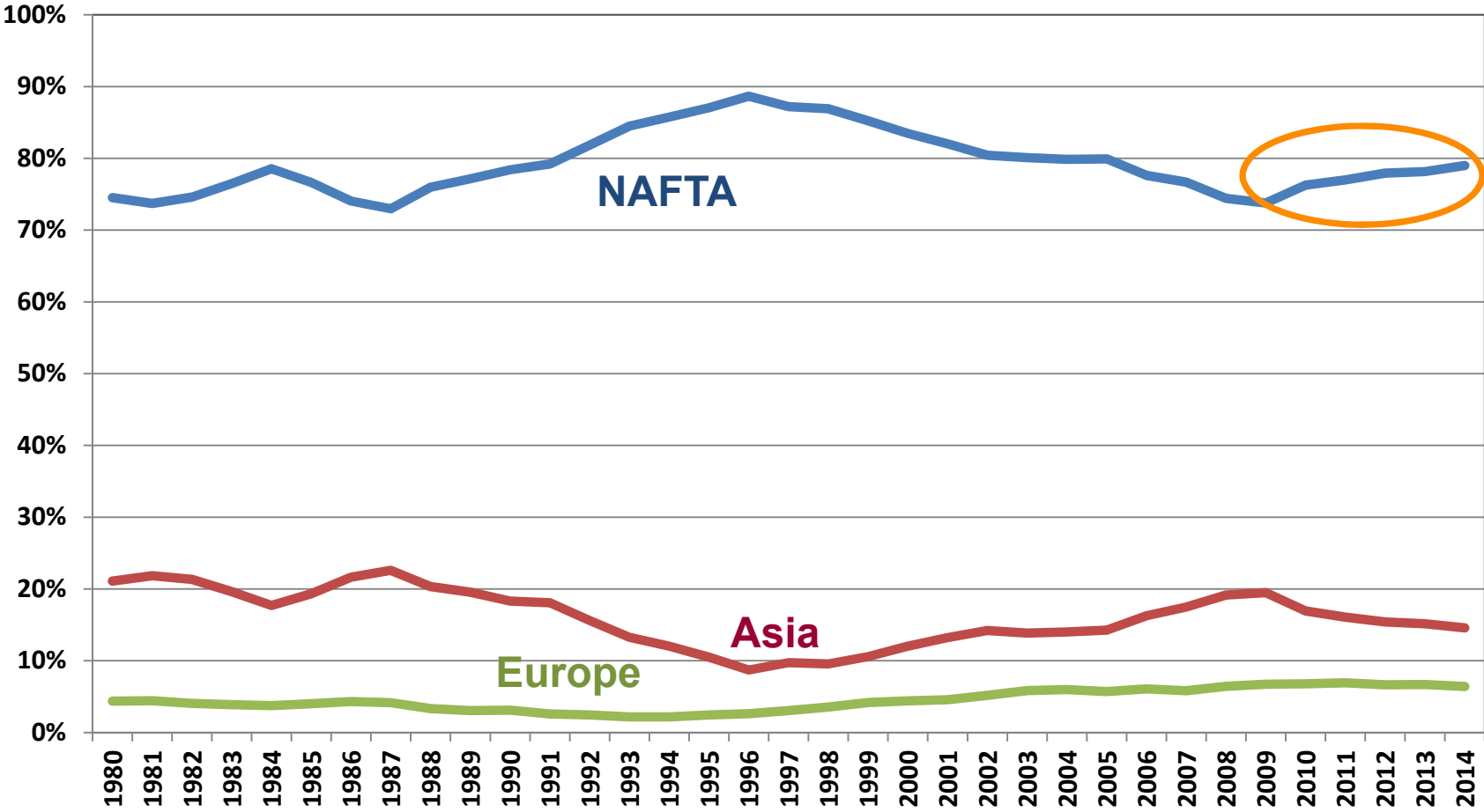
North America's vehicle production share

2000	2009	2014
31%	17%	19%

Growth in markets outside North America.

Most vehicles produced where sold

U.S. light vehicle sales by major production region

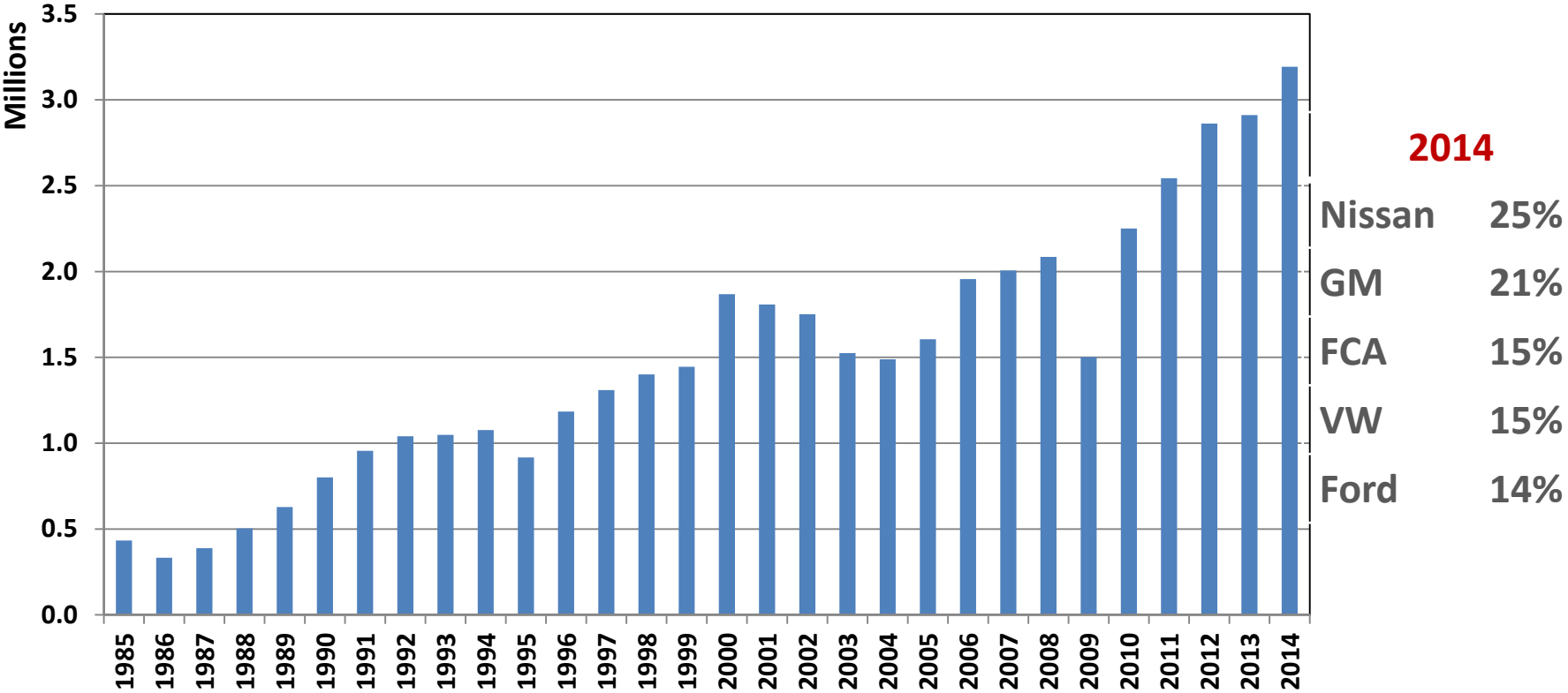


Within North America, gains for Mexico

Share of light vehicle production

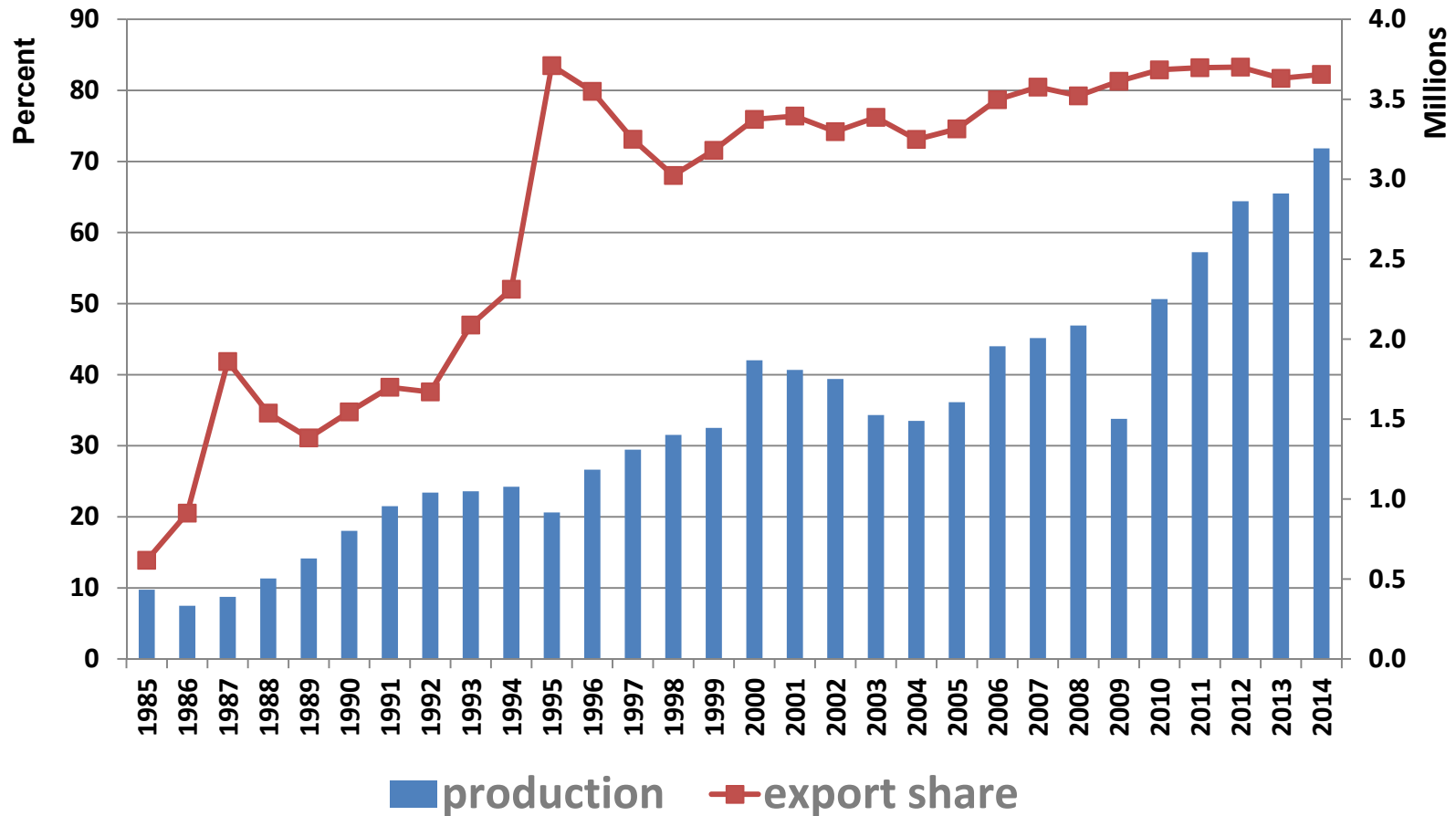
Country	1990	2007	2014
Canada	16	17	13
Mexico	6	13	20
U.S.	78	70	67
N. America	100	100	100

Mexican light vehicle production up strongly



Annual production is up by 2.8 million units since 1985

Exports drive Mexico's growth



Annual exports have increased by 2.5 million units since 1985

Those exports go north and south

Vehicle exports from Mexico by destination

Region	export share	
	2005	2013
NAFTA	88	74
Latin America	3	12
Europe	5	5
Africa	1	1
Asia	1	4
Not known	3	4

In 2013, 82% (2.38 million units) of Mexico's LV production was exported.

Every producer exports most of its production

Company	2014	
	Share of its Mexican production exported	Share of Mexican light veh. exports
GM	84	22
Ford	97	16
Chrysler	94	18
VW	85	15
Nissan	64	20
Toyota	80	2
Honda	92	4
Mazda	80	3

Summary

- **Vehicles tend to be produced in the region in which they are sold**
- **Mexico's growth in vehicle output has been driven by exports**
- **Mexico's roles as export hub extends beyond North America**
- **As in the rest of North America, Mexico's production has become more international**

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