



# Mexico: Open for Business

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# 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

**Population:** 125 million

4.30% unemployment

**Inflation:** 2.8%

**Remittances:** \$25 billion

**FDI into U.S.:** \$35.5 billion (2015)

**GDP per capita (PPP):**

\$18,000 / 2.1% real growth (est. 2016)



## Key facts

- 12th largest world economy
- 79% urban population
- 45% population under 25
- Poor/ Extreme Poor: 53%  
(under USD \$10 per day)
- 2016 World Competitiveness:  
51st (WEF)
- 2016 Corruption Perceptions  
Index: 123/176 in world (TI)



# The \$580 Billion U.S.-Mexico Trade Relationship

Exports 2016 (USD billions)	U.S. to Mex	Mex to U.S.	Total
Goods	231.0	294.2	525.1
Services	31.1	23.5	54.5
<b>Totals*</b>	<b>262.0</b>	<b>317.6</b>	<b>579.6</b>

*\*Totals due not precisely sum due to rounding*

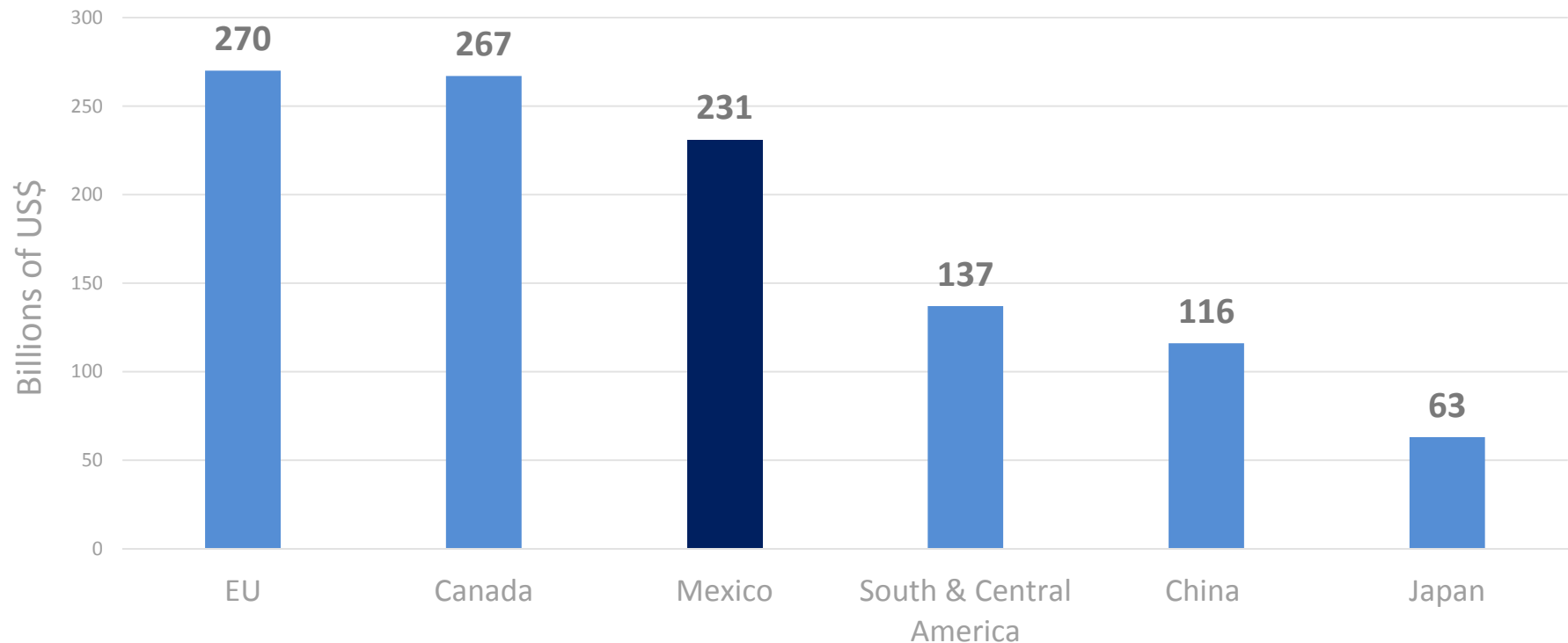
*Sources: Goods figures U.S. Census Bureau, Services figures U.S. Bureau of Economic Analysis*

- **3<sup>rd</sup> largest** U.S. trading partner
- Our **2<sup>nd</sup> largest** export market
- **1<sup>st</sup> or 2<sup>nd</sup> export destination** for 28 American states
- **\$1.6 billion a day** in two-way goods and services trade
- **Over 50,000** U.S. small and medium-sized enterprises export to Mexico
- **40%** of Mexican export value is **U.S. produced**



# A Top Destination for U.S. Goods' Exports

U.S. Manufacturing Exports, 2016



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
Motor Vehicle Parts/Accessories	\$17.45	7.4%
Oil (Not Crude)	\$14.91	6.3%
Office Machinery and Parts	\$10.72	4.5%
Misc. Express Shipments	\$6.73	2.8%
Electronic Apparatus / Parts	\$5.46	2.3%

**Principal U.S. Merchandise  
Imports from Mexico**

Product	Value (US\$bn)	% Total
Passenger Vehicles	\$23.84	8.1%
Vehicle Parts / Access.	\$21.23	7.2%
Cargo Vehicles	\$19.59	6.6%
Data Processing Machines	\$16.77	5.7%
Crude Oil	\$12.49	4.2%

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



# 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**

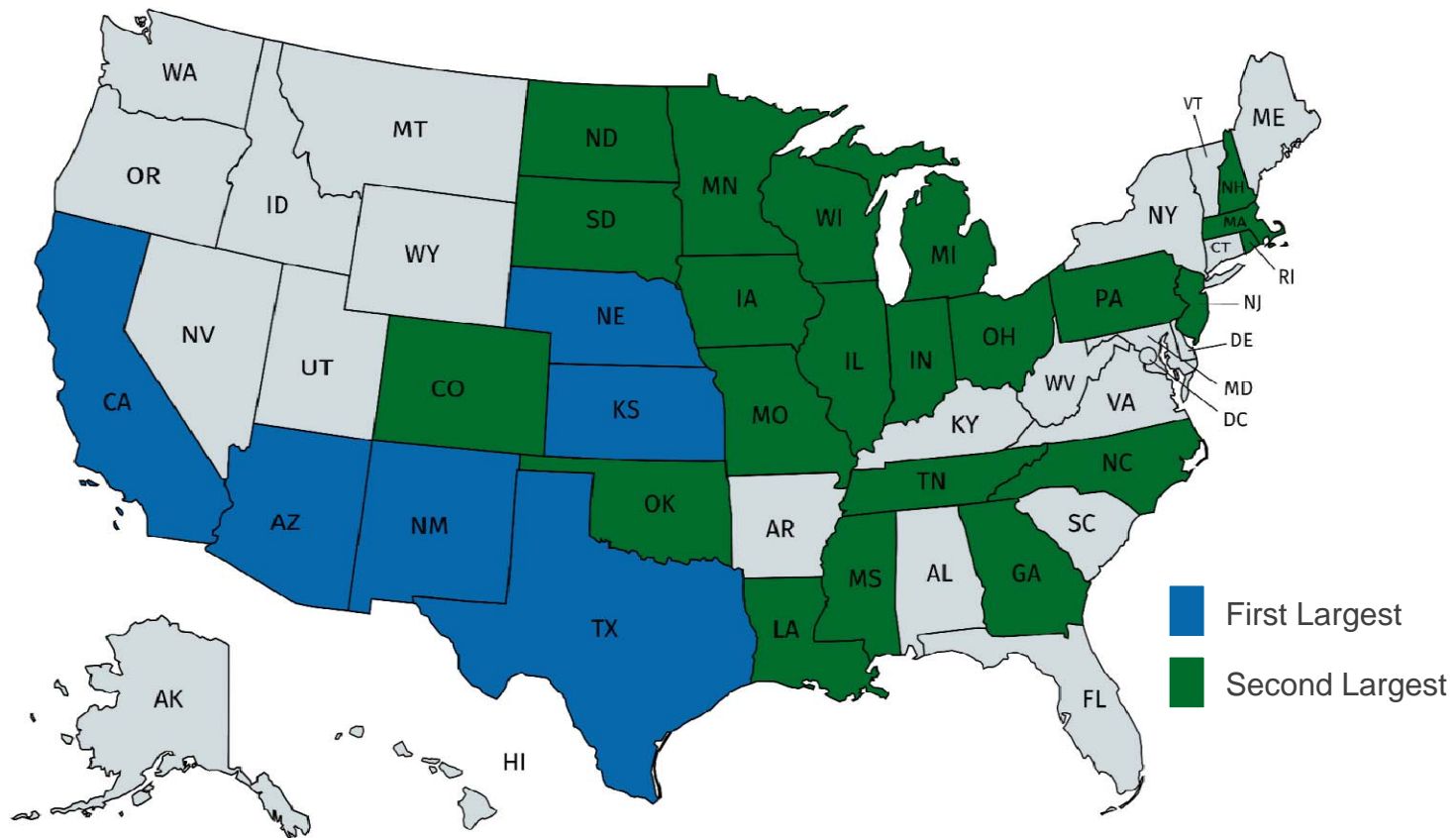
**Trans. Infrastructure Equip./Svcs.**

**Travel and Tourism Services**





# U.S. States for which Mexico was #1 or #2 Merchandise Export Destination, 2016



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



## 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

## Aerospace

FAMEX – U.S. Pavilion, April 26-29, 2017

Santa Lucia Airbase, State of Mexico

<http://www.f-airmexico.com.mx>

## Automotive

Paace Automechanika – U.S. Pavilion, June 14-16, 2017

Citibanamex Center, Mexico City

<http://www.paaceautomechanika.com>

## Environmental Technologies

The Green Expo 2017, September 5-7, 2017

World Trade Center, Mexico City

<http://www.thegreenexpo.com.mx>

## Plastics Industry

Plastimagen - U.S. Pavilion, November 7-10, 2017

Citibanamex Center, Mexico City

<http://www.plastimagen.com.mx>

Visit  
[export.gov/mexico](http://export.gov/mexico)  
for a complete  
list!



# 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 2016”
  - Or go to <http://2016.export.gov/ccg/mexico090857.asp>





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# Backup Slides: Services and FDI Stats



# Mexican FDI In the United States

**\$35.5B**

Total stock of FDI from Mexico in the United States in 2015 *(by UBO)*



Supporting  
U.S. Jobs

**77,800**

Number of U.S. workers employed by U.S. affiliates of majority Mexican-owned firms in 2014.



Investing in  
Innovative R&D

**\$70 million**

Value of research and development (R&D) spending by U.S. affiliates of majority South and Central American-owned firms in 2014.\*



Expanding  
U.S. Exports

**\$991 million**

Total contribution to U.S. goods exports by majority Mexican-owned firms operating in the United States in 2014.

- 15th 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

**Mexican FDI in the USA** *(in USD millions)*

	2011	2012	2013	2014	2015
<b>Position (UBO)</b>	\$27,081	\$27,807	\$31,820	\$34,555	<b>\$35,516</b>
<b>Flow</b>	\$2,432	\$304	\$3,157	\$2,347	<b>\$1,285</b>





# 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



# Export Expansion Services

- **Business Partner Matching**  
Int'l Partner Search, Business Facilitation Svc., Gold Key Svc, & more
- **Customer Development**  
Single Company Promotion
- **Trade Show Promotion and Connections**  
Certified Trade Shows and Fairs, International Buyer Program
- **Trade Missions**  
Industry and geographically focused trade missions for U.S. firms
- **Due Diligence**  
International Company Profile

