

Mexico aims to improve its economic and social development and considers Canada a valuable partner in these objectives. Canada is working closely with the Mexican administration as it seeks to establish better practices for good governance. In 2001, senior Canadian officials met with their Mexican counterparts to share Canadian experiences with program review, budgeting and access to information legislation. The two countries are also working on ways to co-operate on federalism, indigenous issues, social programming, and sustainable development.

Trade and investment

Since NAFTA came into effect in January 1994, two-way trade flows between Canada and Mexico have expanded by 20 per cent annually, making Mexico Canada's largest trading partner in Latin America.

In 2001, Mexico became Canada's sixth largest export market. Canada is Mexico's second largest export market, after the United States.

In 2001, Canadian merchandise exports reached \$2.46 billion and merchandise imports from Mexico totalled \$12.11 billion.

The Canadian government has designated priority sectors of interest for promoting Canadian trade and investment interests in Mexico. These include energy, agri-food, automotive and auto-related industries as well as environmental, information and communications technologies.

Canadian direct investment in Mexico reached \$3.2 billion in 2000, a 3.5-times increase since 1994. Manufacturing has attracted the most investment, followed by financial services and mining. Preliminary figures show that Canadian market share in Mexico increased again in 2001. Mexican investment in Canada was \$132 million in 2000.

With Mexico's remarkable trade drive, the country's exports now approximate those of the rest of Latin America combined. Sustained economic growth and further liberalization are creating a range of opportunities for Canadian companies.

Export Development Canada has greatly increased exposure in the market and opened an office in Mexico City in 2000. Alberta has announced plans to establish an office, and Quebec has had a Délégation Général in Mexico City since 1980. Saskatchewan, Manitoba and Ontario are also active in the market.