

### **MEXICO'S MAJOR ECONOMIC REFORM**

- ◆ Embarked on an ambitious economic reform program in the 1980s.
- ◆ Joined the General Agreement on Tariffs and Trade (GATT) in 1986.
- ◆ Since then, the average tariff dropped from 25% to 10%; the highest tariff dropped from 100% to 50%.
- ◆ Dropped many requirements for import licences.
- ◆ In 1988, environmental laws underwent major reform, setting tough new standards. Funds for enforcement have increased eight-fold.
- ◆ Inflation dropped from 160% in 1987 to 18% in 1991.
- ◆ Sweeping tax reforms instituted, tax loopholes eliminated and enforcement improved.
- ◆ 770 of the 1,155 state-owned firms privatized.
- ◆ Sweeping reform of intellectual property rights.

### **CANADA-MEXICO TRADE**

- ◆ Two-way trade exceeded \$3 billion in 1991 and will exceed \$5 billion by the end of the decade.
- ◆ Canada's exports to Mexico were up by 100% for the first five months of 1992.
- ◆ In 1991, Canada's trade deficit with Mexico was \$2.1 billion.
- ◆ 80% of Mexican exports enter Canada duty free.
- ◆ Mexican duties are on average more than twice as high as Canadian duties.

### **MAJOR MEXICAN EXPORTS TO CANADA**

- ◆ Iron and steel products, motor vehicle parts, telegraphic and television equipment, ignition wiring sets, vegetables, petroleum products, electrical appliances and components, fruits, filters and purifiers, and air conditioners.

### **MAJOR CANADIAN EXPORTS TO MEXICO**

- ◆ Iron and steel products, motor vehicle parts, telegraphic and television equipment, helicopters, sulphur, fertilizer, wood pulp, meats and livestock, engines, and newsprint.