

different models of cars being produced in each country with Volkswagen, for example, producing only in Mexico and exporting to Canada.

Figure 3.2.4
Detailed Canada–Mexico Merchandise Trade for Select Categories

Canadian Imports from Mexico			Canadian Exports to Mexico		
6-digit HS	Description	Share	6-digit HS	Description	Share
Motor Vehicles					
870223	Automobiles with engines displacing 1500-3000cc	43.2%	870223	Motor vehicle parts, nes	27.1%
870431	Trucks with GVW less than 5 tonnes	14.4%	870431	Automobile with engines displacing >3000cc	22.9%
870224	Automobiles with engines displacing >3000cc	10.7%	870224	Transmissions for automobiles	15.8%
Machinery & Electrical					
852520	Ignition wiring sets	18.7%	851790	Parts of electrical apparatus for line telephone systems	9.4%
852812	Television receivers	16.2%	852520	Transmission apparatus that incorporates reception apparatus	9.3%
Special Instruments					
903289	Automatic regulating or controlling apparatus, nes	41.4%	903290	Parts for automatic regulating or controlling instruments	27.4%
903210	Thermostats	7.2%	903180	Measuring or checking instruments	12.6%

A detailed desegregation of Machinery & Electrical and Special Instruments is even more revealing. At first glance, it would appear that a large portion of Mexican exports fall into these two “high-tech” product classifications. At a more disaggregated level, however, Mexico’s exports are seen to be concentrated in the lower value-added products within these categories, such as ignition wiring sets and thermostats, or the assembly of goods not produced in Canada such as television receivers. Meanwhile, Canadian exports to Mexico are more likely to be truly “high-tech”, such as telecommunications equipment.

The Prairies experienced the fastest growth in exports to Mexico between 1989 and 2002, and by a considerable margin – exports to Mexico from that region grew at nearly twice the Canadian average. This resulted in the Prairies accounting for 34.3 percent of exports to Mexico by 2002, and was the only Canadian region to see its share increase. Mexico, however, has always been an important market for exports from the Prairies. In 1989, 19.8 percent of Canadian exports to Mexico came from the Prairies, more than from Quebec, even though the Prairies export less than half of Quebec’s level.

