

## CANADA - MEXICO TRADE

*Mexico is Canada's largest trading partner in Latin America and is one of Canada's top 20 partners in global trade. With the structural economic reforms being carried out by both countries, opportunities exist for an enhanced business relationship. Preliminary statistics for 1989 show that trade between Canada and Mexico increased approximately 25% over 1988, to C\$2.28 billion. It is expected to continue growing in the short term, and could reach C\$5 billion by the year 2000.*

*Canadian exports to Mexico totalled C\$600 million in 1989. There has been a substantive change in the composition of Canadian exports since the 1970's. Agricultural products have grown from 13% to 32% of total exports, while end-products have decreased marginally. Major exports include grains and oilseeds, automotive and telecommunications equipment.*

*Canadian imports from Mexico in 1989 totalled C\$1.68 billion. Crude oil dominated in the early 1980's, but imports now are mostly manufactured goods and agricultural products. Automotive goods, electronic equipment, appliances, office machines and data processing equipment currently account for over half of Mexican shipments to Canada.*

*Since joining the GATT (General Agreement of Tariffs and Trade) in 1986, Mexico has liberalized its markets significantly and removed a wide range of tariffs and non-tariff barriers.*

*This, plus the privatization of a number of state-owned enterprises, and the strengthening of the Mexican private sector, should result in significant new opportunities for mutual trade and investment.*

*As a result, Canada is increasing its trade promotion - focusing on sales in the areas where Mexico has identified a priority: transportation; energy; telecommunications; agriculture and food; mining; environmental protection technologies, products and services.*