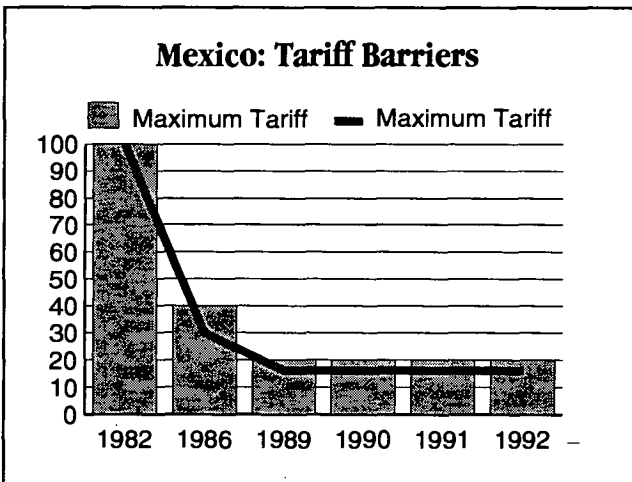


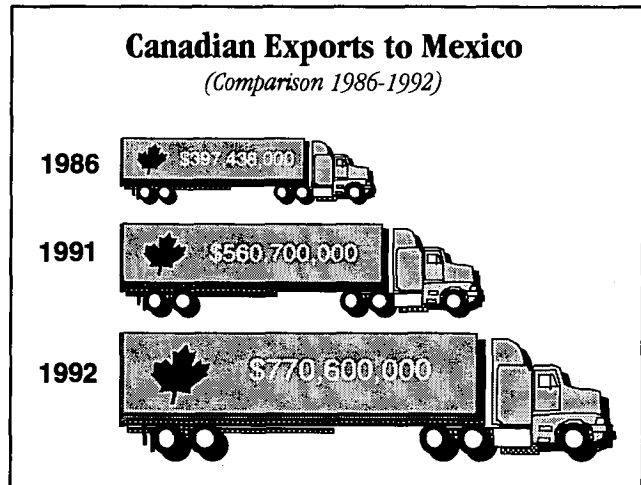
With its economy projected to enjoy stable growth over the coming years, with its liberalized market conditions, with a young and growing population, Mexico will steadily increase its volume of imports over the foreseeable future. From \$19 billion to about \$50 billion in five years has been a remarkable leap, making it one of the fastest-growing economies in the world in this period.



Tariff barriers in Mexico have been decreasing since 1982, with a distinct drop since

Mexico's accession to the GATT in 1986. The average is now below 20% for most products and services. At the same time, many import restrictions have been removed. The average tariff currently applied to 80% of Canadian goods entering Mexico is 13.1%.

Canada and Mexico have only just begun to develop their trading partnership to its full potential. In 1992, Mexico ranked fifth as a



source of imports to Canada, and fourteenth as a destination for Canadian exports. Less than 2 percent of Canada's 1992 imports came from Mexico, and less than 1 percent of Canada's exports went there. Two-way trade totalled about \$3.5 billion, and trends suggest it could double in the next five years. The liberalized trade climate is already taking effect, with exports virtually doubled in six years. The trucking image was chosen to illustrate how close the market is to Canada. After 1997, Canada will be able to truck directly into Mexico and will be able to remove goods for drop-off in the U.S., or pick up U.S. products for delivery in Mexico.