

MANUFACTURER/ SITE	EMPLOYMT.	PRODUCTION	UNITS
VOLKSWAGEN			
Puebla		cars, engines	100,000
FORD			
Hermosillo		cars, components	
Chihuahua	900	engines	270,000
GENERAL MOTORS			
Ramos Arizpe	41,000	cars	
		other vehicles	
Mexico City		trucks	
Toluca		engines	
		automotive castings	
Border towns		30 maquiladora plants	

Source: Prepared from "The Mexican role in Automotive Production" in Prospects for North American Free Trade.

Mexico's automotive sector is currently undergoing massive reconstruction on the heels of an annual average growth in exports to the United States of 130% between 1985 to 1990 and in anticipation of continued growth spurred by North American integration. As a result, all of the major automotive manufacturers have expanded their manufacturing facilities in recent years:

Ford has invested a total of \$1.1 billion, \$500 million of which were destined to the assembly plant in Hermosillo in 1984 to build Mercury Tarcers, which has a capacity of 130,000 finished vehicles per year; during 1990 it completed a general retooling of its plant investing another \$300 million to start producing 165,000 units of the CT20, successor to the Tracer. In January 1991, it announced a \$700 million investment to expand and upgrade its engine plant in Chihuahua.

Volkswagen increased its plant capacity in Puebla. Volkswagen is expecting to boost its capacity from 100,000 units to 300,000 by 1993 with a \$1 billion investment at the Puebla plant. It will produce VW Golf and Jetta models for the U.S. and Canada markets and engines for export to Europe.

General Motors has invested an average \$100 million annually in the last several years and enlarged its two plants located in Coahuila.

Chrysler has invested an average of \$100 million per year since 1985. It purchased Renault in 1987 and is now interested in buying Diesel nacional (DINA), Mexico's state owned heavy truck manufacturer. Chrysler Mexico is the sole worldwide producer of its Ramcharger.