

MEXICO'S MAJOR ECONOMIC REFORM

- ◆ Mexico embarked on an ambitious economic reform program in the 1980s.
- ◆ Mexico joined the General Agreement on Tariffs and Trade in 1986.
- ◆ Since then, the average tariff dropped from 25% to 10%; the highest tariff dropped from 100% to 50%.
- ◆ Mexico 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 almost 10% in 1992.
- ◆ Sweeping tax reforms were instituted, tax loopholes eliminated and enforcement improved.
- ◆ 770 of the 1 155 state-owned firms were privatized.
- ◆ Sweeping reform of intellectual property rights was carried out.

CANADA-MEXICO TRADE

- ◆ Two-way trade exceeded \$3 billion in 1992 and is expected to exceed \$5 billion by the end of the decade.
- ◆ In 1992, Canada's exports to Mexico were up by 37% from 1991.
- ◆ Exports during the first seven months of 1993 have declined a little compared to the same period in 1992, reflecting a decrease in grain and oilseed sales. However, bilateral sales of value-added goods such as "vehicles and parts" and "machinery and engines" continue to increase.
- ◆ Almost 80% of Mexican exports already enter Canada duty free.
- ◆ Mexican duties are on average more than twice as high as Canadian duties.

MAJOR MEXICAN EXPORTS TO CANADA

- ◆ Motor vehicles and parts, engines and parts (including ignition wiring sets), radio, telephone, audio parts and equipment, data-processing machines and parts, petroleum products, fruits and vegetables, small electrical appliances and components, and air conditioners.

MAJOR CANADIAN EXPORTS TO MEXICO

- ◆ Iron and steel products, motor vehicle parts, telecommunications equipment, aircraft, sulphur, wheat, paper products, petroleum products, asbestos and newsprint.