

Trade and Investment

- Mexico is Canada's largest trading partner in Latin America. Two-way trade grew by 21 per cent in 1994, totalling more than \$5.5 billion. Canadian exports rose by 28 per cent to exceed the \$1 billion threshold, while imports of Mexican goods were up 20 per cent, reaching \$4.4 billion. Canadian export figures do not reflect, however, the volume of many goods shipped to Mexico via the United States.
- Canada's access to the Mexican market has increased considerably since January 1, 1994, when the NAFTA came into force. Canadian firms have been able to expand sales in sectors that were previously highly restricted, such as the automotive, financial services, trucking, energy and fisheries sectors. The elimination of Mexican import licensing requirements and tariffs — some upon implementation of the NAFTA and others over the next four to nine years — is helping to provide barrier-free access to a market of over 85 million consumers.
- In 1994, manufactured products accounted for 35 per cent of Canadian exports to Mexico. Canadian telecommunications, plastics, automotive, machine-tooling and metalworking companies have made significant inroads into the Mexican market. Agro-industrial products, particularly processed foods technology and equipment, represent other significant market opportunities for Canadian firms.
- Canada's principal imports from Mexico include motor vehicles and parts, electrical equipment, audio equipment and parts, petroleum oils, engines and parts, data-processing machines and parts, ignition wiring sets, air conditioners and parts, filtering/purifying machinery and parts, furniture, fruits and nuts, vegetables, glass and glassware and optical equipment.
- Canadian direct investment in Mexico in 1993 totalled \$529 million, up from \$452 million in 1992. Canada's cumulative direct investment in Mexico continued to grow in 1994 and now totals almost \$1.2 billion, with additional commitments of over \$1.5 billion. While the devaluation of the peso may change or delay some of these plans, the Mexican government's announcement of further privatization plans will create additional opportunities for Canadian businesses in ports, airports, power stations, petrochemicals and the storage and transmission of natural gas.
- To assist the growing number of Canadians pursuing business in Mexico's industrial north, a Canadian consulate and trade office was opened in Monterrey in January 1993. A trade office in Guadalajara will open in November 1995.