

## CANADA-MEXICO TRADE

- Mexico is Canada's most important trading partner in Latin America. Two-way trade with Mexico exceeded \$3 billion in 1991 and is expected to increase to over \$5 billion by the end of the decade.
- Canadian exports to Mexico increased by close to 100 per cent during the first three quarters of this year, more than a year before the North American Free Trade Agreement (NAFTA) is due to be implemented. During that period, Canada exported \$547.1 million worth of goods to Mexico, up from \$275.1 million during the same period in 1991.
- Another indication that Canadian businesses are taking note of excellent market opportunities in Mexico is the number of Canadian business visitors at our Embassy in Mexico: over 3 000 during the first nine months of this year -- 1 000 more than for all of 1991 and 2 000 more than in 1990.
- Total Mexican merchandise imports grew by 25 per cent in 1991, making Mexico a market of immediate opportunity for Canadian exporters and one of the fastest growing market areas in the world.
- An increasingly prosperous Mexican middle class is creating an added demand for imported consumer goods. This will open up new opportunities for Canadian exporters.
- The gradual elimination of most Mexican tariff and non-tariff barriers through the NAFTA will open up even more opportunities to Canadian exporters and investors in Mexico.
- Sales of value-added Canadian products increased during 1991, particularly in telecommunications equipment and newsprint.
- Main Canadian exports to Mexico include motor vehicle parts, iron and steel products, newsprint, wheat, telecommunications and related equipment and parts, paper products, sulphur, aircraft and parts, and asbestos.
- Canadian export opportunities in Mexico include transportation equipment and infrastructure, as well as telecommunications systems, oil and gas technology, and agricultural expertise and systems.
- Cumulative Canadian investment in Mexico is growing rapidly, increasing from \$350 million in 1989 to over \$500 million in 1991.
- A North American Free Trade Agreement will expand the current Canada-U.S. free trade area of 270 million people into a market of 360 million -- with a total North American gross domestic product of more than \$7 trillion and a market larger than the population of the 12 countries of the European Community.

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