Export Opportunities in Mexico

In 2017, Mexico ranked 2nd among U.S. export destinations and 3rd among Virginia export destinations. Some of the top opportunities for U.S. exporters in Mexico include:

- Automotive Parts and Supplies
- Renewable Energy
- Environmental Technologies and Water
- Internet and IT Services
- Medical Devices
- Security and Safety Equipment and Services
- Telecommunications Equipment
- Building Materials and Services

Top Virginia Exports to Mexico

<table>
<thead>
<tr>
<th>Export Category</th>
<th>2017 Value</th>
<th>Change 2017/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Commodity Chapters</td>
<td>$1,060.7</td>
<td>-3%</td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td>$218.4</td>
<td>-16%</td>
</tr>
<tr>
<td>Plastics</td>
<td>$98.6</td>
<td>-1%</td>
</tr>
<tr>
<td>Meats</td>
<td>$94.8</td>
<td>15%</td>
</tr>
<tr>
<td>Paper &amp; Paperboard</td>
<td>$93.3</td>
<td>75%</td>
</tr>
<tr>
<td>Aluminum</td>
<td>$89.8</td>
<td>12%</td>
</tr>
<tr>
<td>Electrical Machinery</td>
<td>$75.1</td>
<td>4%</td>
</tr>
<tr>
<td>Vehicles, Not Railway</td>
<td>$68.8</td>
<td>0%</td>
</tr>
<tr>
<td>Chemical Products</td>
<td>$57.0</td>
<td>3%</td>
</tr>
<tr>
<td>Tanning/Dyeing Extracts</td>
<td>$29.7</td>
<td>6%</td>
</tr>
<tr>
<td>Yarns &amp; Woven Fabrics</td>
<td>$21.6</td>
<td>-22%</td>
</tr>
</tbody>
</table>

(U.S. Central Intelligence Agency)
Opportunities in Mexico for Exporters

**Franchising**

The Mexican franchise industry represents the 5th largest franchise market in the world. The sector, which employs over 80,000 people, represents about 6% of GDP. Mexico has over 13,000 franchise concepts, including international brands that are predominately from the US.

The top prospects for US exports include:

- Food and beverage
- Services
- Retail
- Education
- Health and personal care
- Entertainment

**Automotive Parts and Supplies**

The automotive industry has shown significant growth in the last three years. Mexico has become the seventh largest vehicle producer in the world, and first in Latin America. The auto sector accounts for 18% of Mexico's manufacturing sector and 6% of national GDP. Furthermore, Mexico's auto parts industry is closely tied to its American counterpart and economic growth in the United States. Industry estimates predict that vehicle production will reach five million by 2020.

Top prospects include:

- Steering wheels
- Electrical parts
- Replacement parts for engines
- Collision repair parts

**Medical Devices**

Mexico’s imports of medical equipment, instruments, and dental products totaled $10.58 billion in 2015. Public healthcare institutions account for 70-80% of all medical services provided nationwide, while private healthcare institutions serve approximately 25-30% of the Mexican population. Medical products from the United States are highly regarded in Mexico due to high quality, after-sales service, and pricing, compared to competing products of similar quality.

Top prospects include:

- Anesthesia and MRI equipment
- X-ray and ultrasound equipment
- Electro surgery equipment

**Safety & Security Equipment & Services**

The safety and security market continues expanding mostly as a result of private sector consumption in response to the current security challenges present in the country. Safety and security continues to be a dynamic sector with increased demand in various segments from private security services to cyber security.

Top prospects include:

- Access control solutions
- CCTV
- Digital security systems
- Smoke detectors and fire alarms
- High-tech night vision tactical equipment

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)
FAST FACTS

Economic Overview

Mexico’s $2.2 trillion economy has become increasingly oriented toward manufacturing in the 22 years since the North American Free Trade Agreement entered into force. Mexico’s per capita income is roughly one-third that of the US, while income distribution remains highly unequal.

Mexico has become the US’s second-largest export market and third largest source of imports. In 2014, two-way trade in goods and services exceeded $590 billion. Mexico has free trade agreements with 46 countries, putting more than 90% of trade under free trade agreements. In 2012, Mexico finally joined the Trans-Pacific Partnership negotiations and formed the Pacific Alliance with Peru, Colombia, and Chile.

Although the economy experienced stronger growth in 2014-15 as a result of increased investment and strong demand for Mexican exports, growth is predicted to remain below potential given falling oil production, weak oil prices, structural issues such as low productivity, high inequality, a large informal sector employing over half of the workforce, weak rule of law, and corruption.

(U.S. Central Intelligence Agency)

Cultural Guide

- The right connections facilitate business success. You will be judged by the person who introduces you. Changing this first impression is difficult.

- Since the initial meeting is generally with someone of high stature, it is important that your delegation include an upper-level executive. After the initial getting-to-know-you meeting, the senior executive may not attend meetings or be visible. This indicates you are now getting down to business and they are no longer needed to smooth the introduction.

- Business appointments are required and should be made at least 2 weeks in advance. Reconfirm the meeting again once you arrive in Mexico and make sure that the secretary of the person you will be meeting knows how to contact you.

(Face-to-face meetings are preferred over telephone, letters or email.

- Deadlines are seen as flexible and fluid, much like time itself. Negotiations will include a fair amount of haggling. Do not give your best offer first. Do not include an attorney on your negotiating team.

- It is advisable to have one side of your business card in Spanish. Business cards should contain both your professional and educational qualifications.

(Kwintessential)
Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

### Additional Resources

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<th>Mexico Overview</th>
<th>Mexico Country Commercial Guide</th>
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<td>U.S. Commercial Service</td>
</tr>
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<td>Mexico’s Secretary of the Economy</td>
<td>Exporting to Mexico</td>
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<tr>
<td>Government of Mexico</td>
<td>United Kingdom Trade &amp; Investment</td>
</tr>
<tr>
<td>Kwintessential Mexico</td>
<td>Ease of Doing Business Report</td>
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<td>Kwintessential Guide to Mexico</td>
<td>World Bank</td>
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