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Mexico's foreign trade grew in 2008

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In 2008, despite the global economic crisis, the Mexican foreign trade and investment activities had shown a very positive performance.

Exports

In 2008, total exports reached a historical level of US\$291.8 billion, which represents an expansion of 7.3% in comparison to the previous year.

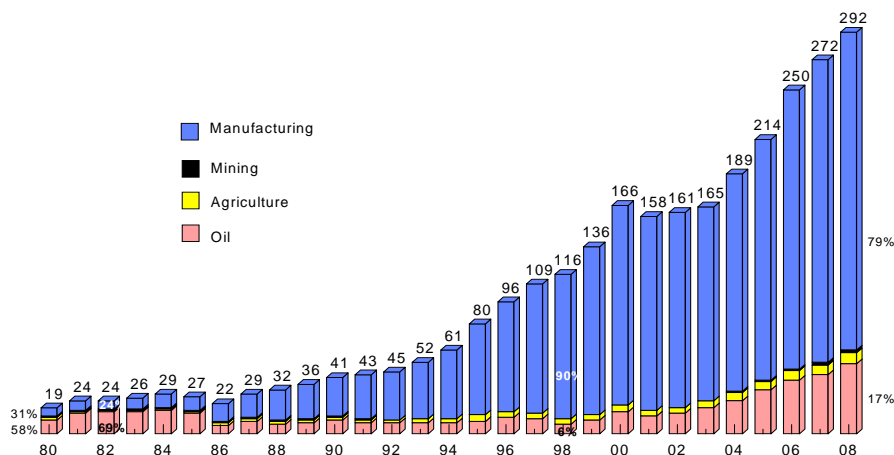
In fact, the export sector in Mexico has become one of the most dynamic engines of the country's economy. 30% of Mexico's Gross Domestic Product (GDP) is generated through exports. In terms of employment, this means that one in six jobs is linked to export activities.

Before its accession to the GATT in 1986, Mexico was a commodity exporter, in which oil exports represented more than two thirds of total exports. Today, the export share of agricultural products decreased to 2.9% and oil products has fallen to 17.3%, while manufacturing goods rose to 79.1%. Diversification and higher value added of Mexico's exports has been one of the major accomplishments resulting from trade liberalization.

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Mexico's Exports

Billions of Dollars



Source: Ministry of the Economy with data from Banco de México

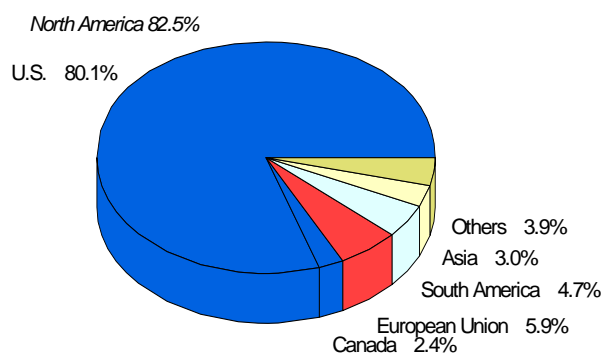
Mexico's foreign trade grew in 2008

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In 2008, the most dynamic export sectors were agricultural goods (12.8%) and mining (11.2%). Meanwhile, sales flows on the manufacturing segment rose 5.1%, but there are some vigorous industries whose exports grew at two digit level such as chemicals, iron and steel, mining and metallurgy, electric and electronic equipment and major household appliances (mainly refrigerators).

Although Mexico's total exports grew 7.3% in 2008, Mexican sales to the European Union (EU) rose 19.7%, accounting for 5.9% of the country's total exports. In fact, since the entry into force in 2000, of the Mexico - EU Free Trade Agreement, Mexico's exports to the EU have increased by an outstanding 215.4%, while Mexican sales to the world grew 114% in the same period.

Mexico's Exports - 2008



291.8 billion dollars

Source: Ministry of the Economy with data from Banco de México

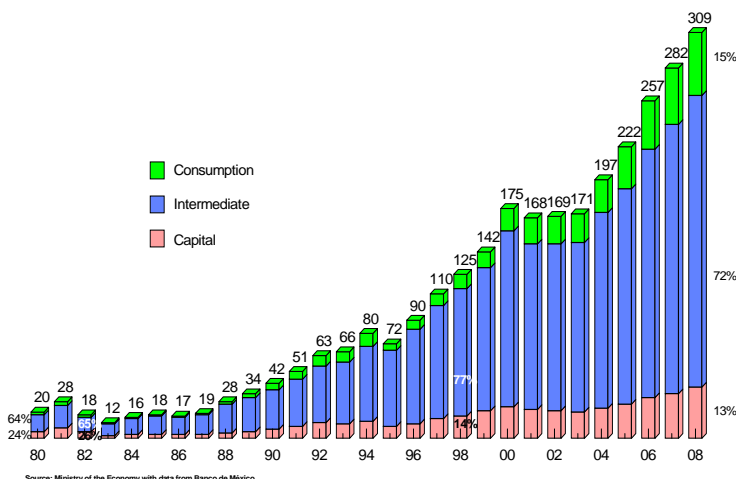
Among the 10 leading markets for Mexican exports, U.S. and the EU are first and second destination, respectively. However, considering EU Member States individually, there are three European countries in the top 10: Germany and Spain which have maintained their third and fourth places, and the Netherlands advanced two positions (from 10th to 8th).

Imports

Last year, imports of products rose 9.5%, reaching \$308.6 billion. Increases took place in capital goods (16.4%), consumer goods (11.4%), and industrial supplies and materials (7.9%).

Mexico's Imports

Billions of Dollars



Source: Ministry of the Economy with data from Banco de México

Nowadays, imports of industrial supplies and materials account for almost three quarters of Mexico's total imports, mainly because of the Mexican industry demand of components in order to integrate them in products for export destination (high value added). Capital goods constitute 13% of the total imports.

In 2008, purchases from the U.S. accounted for half of the Mexico's imports, and the EU reached a market share of 12.7%, the highest ever since the entry into force of the Mexico-EU Free Trade Agreement.

There were some relevant changes in the Mexico's imports rank in 2008. Among the 10 leading goods suppliers to Mexico, Italy replaced Brazil as the eighth largest provider, while Germany kept its fifth place. Five out of the 10 top Mexico's suppliers were Asian economies.

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Mexico's Total Trade in December (billion US\$)

	2007	2008	%
Total	47.9	39.4	-17.7
Exports	23.4	18.7	-20.1
Exports (excluding oil)	19.2	16.9	-11.9
Imports	24.5	20.8	-15.3

Source: Banco de México

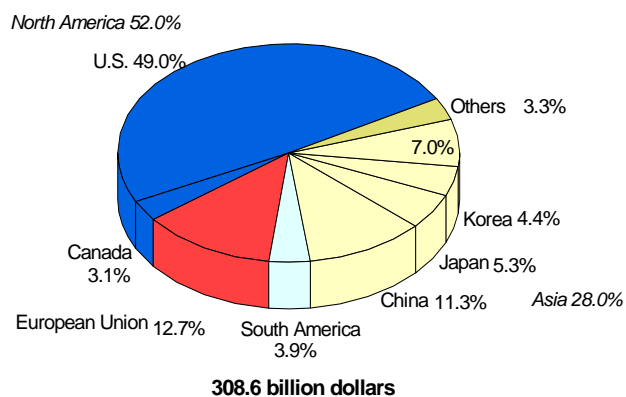
Mexico's Trade with EU and EFTA (million US\$)

	2007	2008	%
January - December			
Exports to the EU	14,581.6	17,449.6	19.7
Imports from the EU	33,944.7	39,324.5	15.8
Exports to the EFTA	262.7	643.4	144.9
Imports from the EFTA	1,545.0	1,721.0	11.4

Source: Banco de México

Mexico's foreign trade grew in 2008

Mexico's Imports - 2008



Source: Ministry of the Economy with data from Banco de México

(Continues from page 2)

As a result, in 2008, Mexico's trade deficit totaled US\$16.8 billion, which represented 1.4% of Mexico's GDP.

Foreign Direct Investment (FDI)

In 2008, Mexico received US\$18.6 billion of FDI, consolidating Mexico as one of the top recipients of FDI among emerging economies in the world.

Between 1999 and 2008, the FDI in Mexico had registered an accumulated amount of US\$212.1 billion, of which the U.S. accounted for 54.9%, and 33.7% were originated from the EU.

Sectorally, the bulk of FDI in Mexico has been oriented to manufacturing activities (44.2%) and financial services (25.7%).

Conclusions

The current foreign trade and investment activity underscores the importance of Mexico as a key manufacturer hub, even though the actual economic turmoil.

In fact, Mexico is improving its competitive stance by attracting the most sophisticated technology and the world's leading manufacturers. Mexico also offers an

expanding infrastructure, as well as a pool of skilled and talented people that create the ideal environment to establish new businesses and consolidate the growth of Mexico's industry. Furthermore, Mexico is helping itself to become more attractive to investors by devising different kind of incentives.

Mexico's gains in the world market are the result of its longstanding manufacturing efficiencies, qualified labor, and renowned production quality. All these are prompting a new wave of investors to choose Mexico as their premier manufacturing location.

Trade fairs and exhibits in Mexico

EXPO DESARROLLO INMOBILIARIO 2009

March 24 - 25

Centro Banamex, Mexico City

Construction and building development

Event Management:

Asociacion de desarrollo inmobiliario

Phone: (52) 55 5340.3196

Fax: (52) 55 5540.3046

E-mail: sjuarez@prodigy.net.mx

Website

<http://www.adi.org.mx>

EXPO ANTAD 2009

March 11 - 13

Expo Guadalajara

Food, beverages and services.

Event Management:

ANTAD

Phone: (52) 33 3121.4577

Fax: (52) 33 3121.5437

E-mail: antad.gdl@nonotza.com.mx

Website:

<http://www.antad.org.mx>

Mexico's Economic Indicators

Inflation rate: 0.23% (January, 2009); 6.28 % (2009, annual)
Industrial Gross Domestic Product: -6.7% (Dec. 2008 / Dec. 2007) Manufacturing: -6.6%; Construction: -7.1%, Mining: -6.7%
General Index of Economic Activity: -2.65% (Nov. 2008 /Nov. 2007)
Consumer Confidence Index: 81.9 pts. (January 2009) -20.8 percentage points (January 2009 / January 2008)
Open unemployment rate: 4.32% (Dec. 2008)

Source: INEGI

Mexico's Financial Indicators

Foreign exchange rate: 14.81 peso/dollar (February 20,2009)
International reserves: \$80,933 million dollars (Feb. 20, 2009)
Mexican stock market index (IPC): 18,324 (Feb. 20, 2009)
Interest rate treasury bonds CETES 28 days: 7.0%(February 17, 2009)

Source: Banco de Mexico

Mexico's Official Gazette Notices

- **05/01/2009** Third Resolution of the Modifications of the General Rules on Foreign Trade for 2008.
- **06/01/2009** Annexes 1, 10, 13, 19, 21, 22 and 27 of the Second Resolution of the Modifications of the General Rules on Foreign Trade for 2008, published on December 29 2008.
- **07/01/2009** Decree approving the Economic Cooperation Agreement between de Government of the United Mexican States and the Government of the Republic of Hungary, signed in Mexico City on October 26 2007.
- **07/01/2009** Decree approving the Investment Promotion and Protection Agreement between the United Mexican States and the Republic of Slovakia, signed in Mexico City on October 26 2007.
- **22/01/2009** Agreement banning the exports and imports of different goods to the countries, entities and persons indicated.
- **23/01/2009** Agreement modifying the one establishing the classification and codification of goods and products whose import, export, entry or exit is under sanitary regulation by the Ministry of Health.
- **27/01/2009** Decree reforming the internal regulation of the Ministry of Economy (Secretaría de Economía).

EU Official Journal

- **05/01/2009 L1** Council Regulation (EC) No 1/2009 of 18 December 2008 amending Regulation (EC) No 1255/96 temporarily suspending the autonomous common customs tariff duties on certain industrial, agricultural and fishery products.
- **10/01/2009 L6** Council Regulation (EC) No 15/2009 of 8 January 2009 amending Regulation (EC) No 367/2006 imposing a definitive countervailing duty on imports of polyethylene terephthalate (PET) film originating in India and amending Regulation (EC) No 1292/2007 imposing a definitive anti-dumping duty on imports of polyethylene terephthalate (PET) film originating in India.
- **21/01/2009 L16** Commission Regulation (EC) No 42/2009 of 20 January 2009 amending Regulation (EC) No 555/2008 laying down detailed rules for implementing Council Regulation (EC) No 479/2008 on the common organisation of the market in wine as regards support programmes, trade with third countries, production potential and on controls in the wine sector.
- **23/01/2009 L19** Commission Regulation (EC) No 57/2009 of 22 January 2009 fixing the export refunds on milk and milk products.
- **23/01/2009 L19** Commission Regulation (EC) No 58/2009 of 22 January 2009 fixing the maximum export refund for butter in the framework of the standing invitation to tender provided for in Regulation (EC) No 619/2008.
- **30/01/2009 L28** Council Decision of 28 November 2008 on the conclusion of the Agreement between the European Community and Australia on trade in wine.
- **31/01/2009 L29** Council Regulation (EC) No 91/2009 of 26 January 2009 imposing a definitive anti-dumping duty on imports of certain iron or steel fasteners originating in the People's Republic of China.

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