



Mexico's foreign trade in 2009

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In 2009, foreign trade and investments in Mexico felt the effect of the financial world crisis in a similar dimension that the main economies of the world.

Exports

The export of goods in 2009 reached 229.7 billion dollars (bd), 21.2% less than the previous year. However, in the months of November and December it already registered annual growth rates of 10% and 22.8%, respectively (compared to the same month of the previous year).

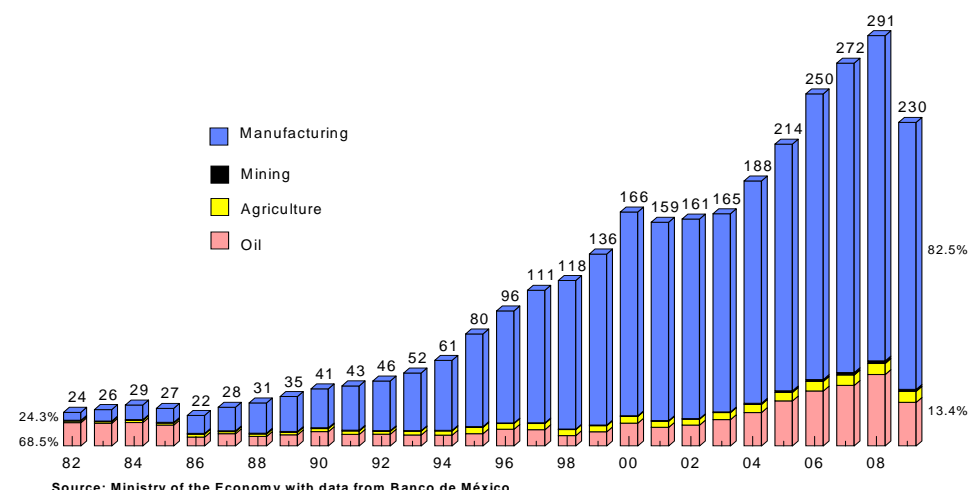
Although, the export sector in Mexico is still one of the most dynamic engines of the country's economy. 25% of Mexico's Gross Domestic Product (GDP) is generated by export activities. In terms of employment, one out of six jobs is linked to export activities.

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 those products has fallen to 13.4%. On the other hand, manufacturing share rose from 24.3% to 82.5%. Diversification and higher value added of Mexico's exports has been one of the major accomplishments

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Mexico's Exports

Billions of Dollars



Mexico's foreign trade in 2009

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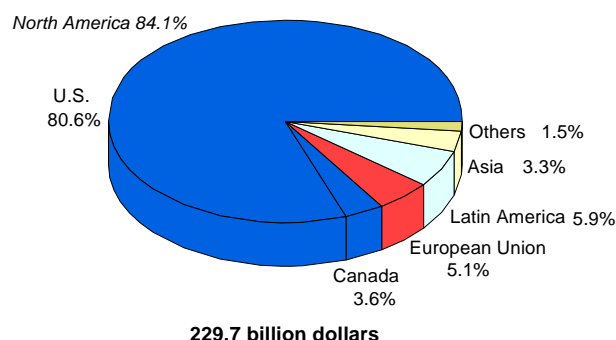
of trade liberalization.

In 2009, Mexican foreign sales on agricultural products were 7.8 bd, slightly inferior to the historical record of 7.9 bd reached in 2008.

Although exports of manufacturing products descended 17.9% in 2009, they rose at an annual rate of 6% in November and 15.3% in December, standing out the growth in the automotive sector (+31.1%) and metallurgy industry (+44.2%).

Notwithstanding that the Mexican sales to the European Union (EU) diminished in 32.4% in 2009, in the long term, they continue showing a positive trend, with a growth rate of 113.5% since the entry into force, in 2000, of the Mexico - EU Free Trade Agreement (MEUFTA), while Mexican sales to the world grew 68.5% in the same period.

Mexico's Exports - 2009



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

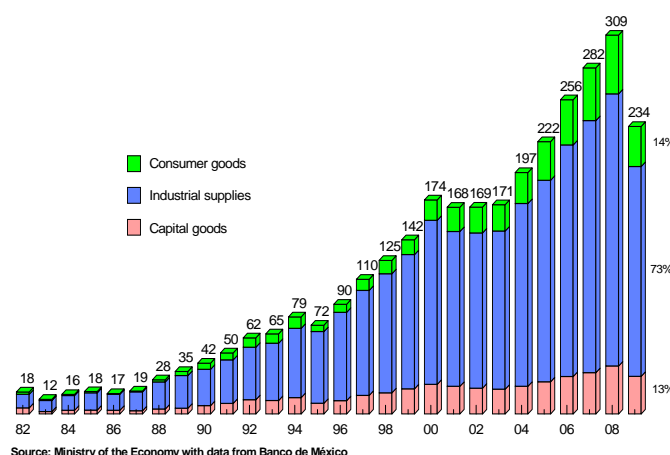
Among the 10 leading markets for Mexican exports, U.S. and the EU are first and second destination, respectively. However, considering EU Member States individually, there are three European countries in the top 10: Germany maintained its third place, Spain occupied the fifth position and the Netherlands consolidated its eighth place.

Imports

Last year, imports of products descended 24%, reaching 234.4 bd. The drops took place similarly on capital goods (-21.6%), industrial supplies (-22.9%) and consumer goods (-31.5%).

Mexico's Imports

Billions of Dollars



Nowadays, imports of capital goods and industrial supplies account for 13% and 73% respectively of Mexico's total imports, mainly because they are highly demanded by the Mexican industry in order to integrate them in high value added products for export destination.

In 2009, purchases from the U.S. accounted for half of the Mexico's imports, while the share of the EU was 11.7% (one percentage point smaller than 2008, which is the highest level since the entry into force of the MEUFTA).

Among Mexico's main suppliers, Germany maintained the fifth place and Italy occupied the tenth. Five out of the top ten suppliers were from Asia.

As a result, in 2009, Mexico's trade deficit totalled 4.7 bd, significantly smaller than the 17.3 bd of 2008.

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

	2008	2009	%
Total	39.4	46.1	17.0
Exports	18.7	22.9	22.8
Exports (excluding oil)	16.9	19.5	15.4
Imports	20.8	23.2	11.7

Source: Banco de México

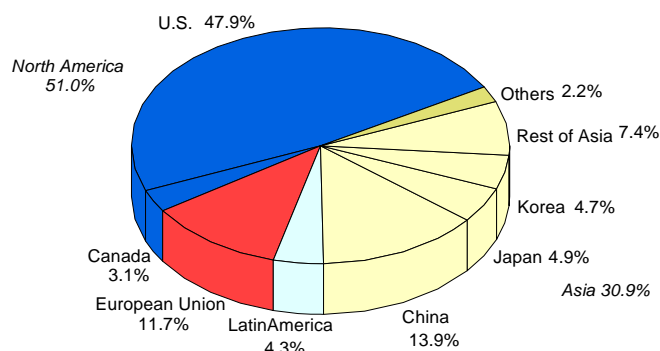
Mexico's Trade with EU and EFTA (million US\$)

	2008	2009	%
January - December			
Exports to the EU	17,321.6	11,706.4	-32.4
Imports from the EU	39,300.3	27,321.5	-30.5
Exports to the EFTA	642.8	479.0	-25.5
Imports from the EFTA	1,720.0	1,395.1	-18.9

Source: Banco de México

Mexico's foreign trade in 2009

Mexico's Imports - 2009



234.4 billion dollars

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

(Continues from page 2)

Final remarks

The external trade was one of the main victims of the world economic crisis. The fall in world trade in 2009 is the sharpest decline since the end of the Second World War. The effects were felt in the developed economies as well as in the emerging economies.

Mexico, being one of the main actors in the world trade, was not the exception. However, since November 2009 the beginning of the recovery process is already appreciated.

Mexico's position in the international markets, obtained thanks to the competitiveness of its industry and its network of free trade agreements covering 44 countries, will allow Mexico to recover the growing dynamism of the external trade achieved in recent years.

Trade fairs and exhibits in Mexico

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Mexico's Economic Indicators

Inflation rate: 1.09% (January, 2010);
4.46 % (2010, annual)

Industrial Production: 1.6% (Dec. 2009 / Dec. 2008)

Manufacturing: 4.3%; **Construction:** -5.6%, **Mining:** 1.3%

Global Index of Economic Activity: 0.49% (Dec. 2009 / Dec. 2008)

Consumer Confidence Index: 82.1 pts. (January 2010)

0.2 percentage points (January 2010 / January 2009)

Open unemployment rate: 4.80% (Dec. 2009)

Source: INEGI

Mexico's Financial Indicators

Foreign exchange rate: 12.86 peso/dollar (February 23, 2010)

International reserves: \$93,750 million dollars (Feb. 19, 2010)

Mexican stock market index (IPC): 31,850 (Feb. 23, 2010)

Interest rate treasury bonds CETES 28 days:

4.5% (February 23, 2010)

Source: Banco de Mexico

Mexico Official Journal

- **05/01/2010** Final resolution of anti-dumping investigation on imports of carbon-steel tubes longitudinally welded with a wall thickness from 0.562 to 1 inch (14.3 and 25.4 millimeters, respectively) and an outside diameter exceeding 16, but not exceeding 48 inches (406.4 not exceeding 1,219.2 mm, respectively) originating from United Kingdom of Great Britain and Ireland, regardless the country of departure. The tariff classification of this merchandise, according to the Mexican Custom Tariff Schedule is 7305.11.01.
- **05/01/2010** Final resolution on the exam of validity of the compensatory quota imposed to imports of welded-link steel chain, originating from People's Republic of China, regardless the country of departure. The tariff classification of this merchandise, according to the Mexican Custom Tariff Schedule is 7315.82.02.
- **06/01/2010** Decree which reforms and adds certain provisions of the Industrial Property Law.
- **26/01/2010** Agreement announcing the Decision No. 54 of the Joint Committee of the Free Trade Agreement between Mexico, Colombia and Venezuela, by which a temporary waiver is granted in order to incorporate materials produced or obtained from outside of the free trade area into certain textiles and apparel goods applying it the preferential tariff treatment established in the Free Trade Agreement between Mexico, Colombia and Venezuela, adopted in December 4, 2009.
- **29/01/2010** Agreement announcing the Decision No. 55 of the Joint Committee of the Free Trade Agreement between Mexico, Colombia and Venezuela, by which a temporary waiver is granted in order to incorporate materials produced or obtained from outside of the free trade area into certain textiles and apparel goods applying it the preferential tariff treatment established in the Free Trade Agreement between Mexico, Colombia and Venezuela, adopted in December 7, 2009.

EU Official Journal

- **07/01/2010 L003** Council Regulation (EU) No 7/2010 of 22 December 2009 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products and repealing Regulation (EC) No 2505/96
- **15/01/2010 L010** Commission Regulation (EU) No 33/2010 of 12 January 2010 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff
- **22/01/2010 L017** Council Implementing Regulation (EU) No 54/2010 of 19 January 2010 imposing a definitive anti-dumping duty on imports of ethanolamines originating in the United States of America
- **28/01/2010 L024** Council Implementing Regulation (EU) No 77/2010 of 19 January 2010 amending Regulation (EC) No 452/2007 imposing a definitive anti-dumping duty on imports of ironing boards originating, inter alia, in the People's Republic of China
- **30/01/2010 L028** Interim Agreement on trade and trade-related matters between the European Community, of the one part, and the Republic of Serbia, of the other part

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