



MEXICO'S EXPORT SITUATION AND OPPORTUNITIES.

THAI TRADE CENTER MEXICO.
FEBRUARY, 2023.

Mexico's economy (2021-2022)



International trade.

- Nearshoring destination.
- Need to diversify the origin of imports and destination of exports.
- High and proved experienced in the international markets.



GDP per capita

- 10.045,68 USD (2021)



GDP composition.

- Services:61%
 - Industry: 33.8%
 - Agriculture: 3.5%
- (2021)



Inflation rate.

- 7.82%
- (Dec, 2022)



Imports and exports (Jan-Dec 2022)

- Exports:USD\$578 billions
- Imports: USD\$604 billions

(INEGI)

Trade summary Mexico (January-December 2022)

% variation compared to the same period 2021



Exports

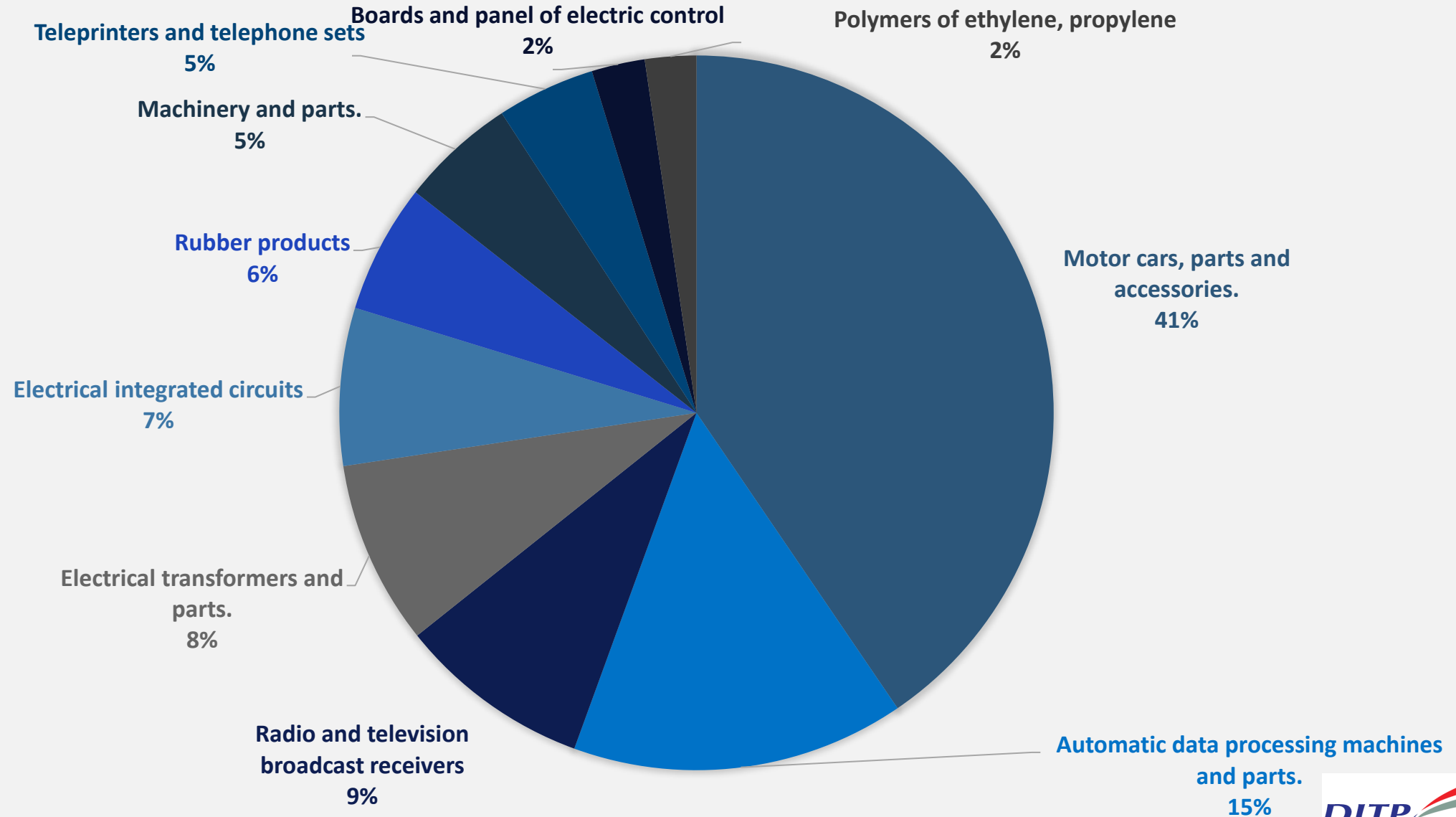
- USD\$578 billions
- Variation: 16.9%



Imports

- USD\$604 billions
- Variation: 19.6%

Mexico's top 10 imported products from Thailand (2022):



Export situation in Mexico (Jan-Dec 2022):



- México has 15 FTA's signed with countries from different continents + 1 signed FTA with the U.K (not in effect yet)
- **Mexico's main exports during 2022:** electrical machinery, heavy machinery, automobiles, crude oil, and medical instruments (optical).



Mexico's FTA by continent:



AMERICA:

- USMCA: Mexico, U.S.A and Canada
- CPTPP.
- FTA Central America: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.
- Ecuador.
- Peru.
- Bolivia.
- Uruguay.
- Chile.
- Colombia.
- FTA with MERCOSUR: Argentina, Brazil, Uruguay, Paraguay, Venezuela, Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, Surinam.

ASIA:

- Japan.
- Israel.

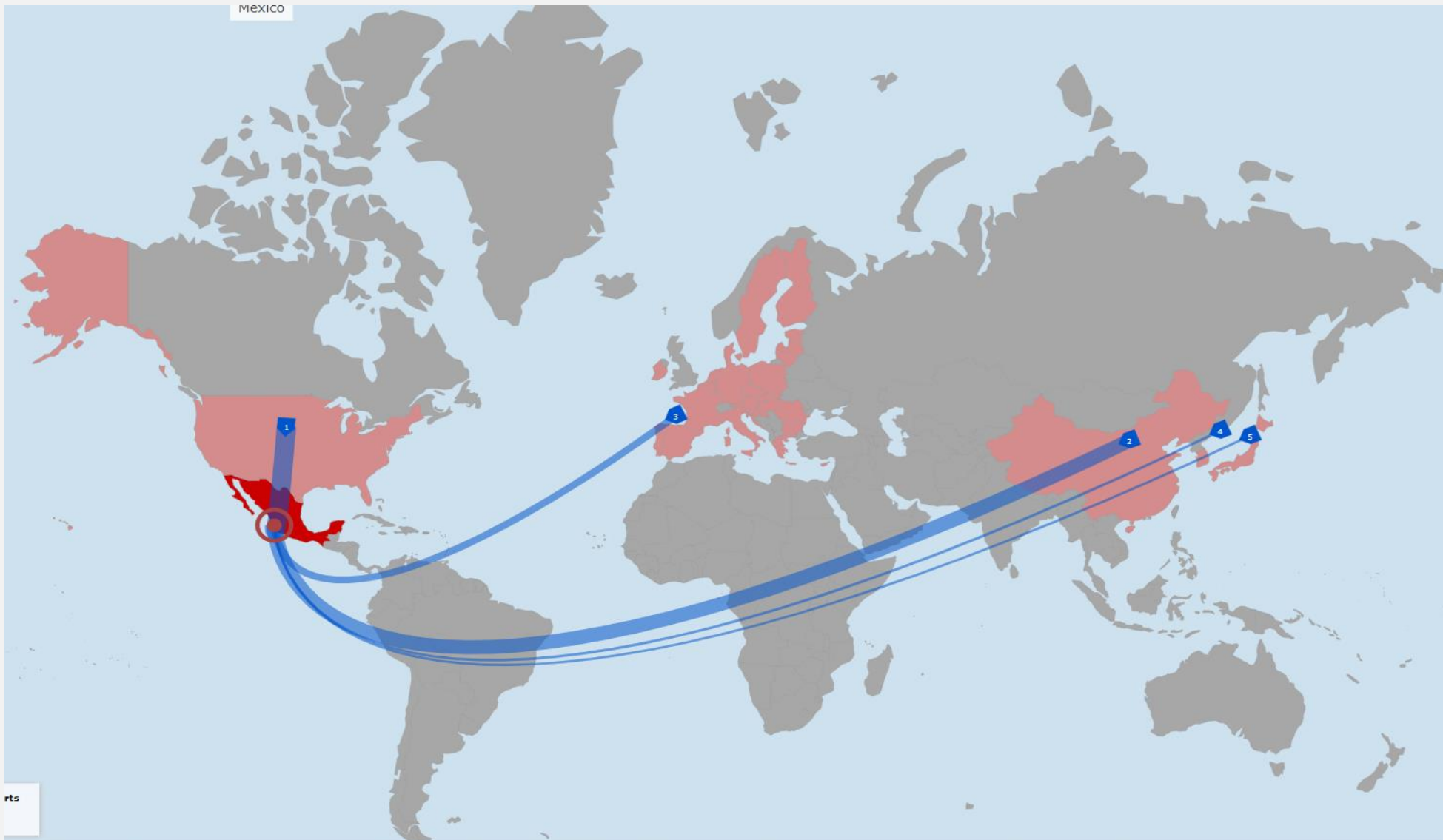
EUROPE:

- FTA with the European Union.
- FTA with the U.K (not in effect)

MULTIREGIONAL:

- CPTPP.

Mexico's 5 import partners (WTO, 2022)



1. U.S.A.
2. China.
3. European Union.
4. South Korea.
5. Japan.

10. Thailand.

Mexico's 5 export partners (WTO, 2022)



1. U.S.A.
2. European Union.
3. Canada.
4. China.
5. Chinese Taipei.

39. Thailand

Export situation in Mexico:



2022 situation:

- Mexico opened quotas to import basic products (mainly foods) under the benefit of 0% import tax.
- Sanitary procedures between Mexico and Thailand to import pet foods and pet snacks made with aquatic ingredients.



Customs clearance:

- The main change in the customs domain was the creation, in 2021, of the Mexican National Customs Agency (ANAM), which replaced the General Customs Administration (AGA). Since 2022, customs clearance for the import and export of goods has been carried out by ANAM. Despite the institutional change, the requirements for importing and exporting, and the procedures for determining the customs value of imported goods, have not changed



2023 forecast

- The Mexican economy will grow 1.7% by the end of 2023 according to the IMF.
- The inflation and the the Russian invasion in Ukraine will continue to undermine economic growth worldwide, so the IMF recommends that countries take priority actions to contain the rise in the cost of living during 2023.
- International trade in Mexico will grow 18% (imports) and 17% (exports).

POTENTIAL FIELDS / PRODUCTS:



INDUSTRIAL PRODUCTS

- Auto parts and components
- Automatic data processing machines
- Electrics and electronics
- Rubber products
- Machinery



POTENTIAL FIELDS / PRODUCTS:



AGRO-INDUSTRIAL PRODUCTS

- Natural rubber
- Rubber products
- Rice
- Processed tropical fruits
- Beverages
- Ready to eat meals.
- Plant-based foods.
- Insect-based foods.



Export opportunities:



- **Products with high potential in Mexico and Central America in order of importance:**
- Manufactures from the automotive industry.
- Ready to eat meals.
- Future foods.
- Washing machines.
- A/C's.
- Processed foods and non-alcoholic beverages.
- External memory devices and hard disks.
- Electronic components for the assembly of finished computers and other telecommunication products.
- Electronic components for the assembly of smart home appliances.
- Electronic medical devices and their inputs and spare parts.

Export opportunities:



- **Most demanded products in Mexico and Central America in order of importance (products with high potential to be imported from Thailand):**
- Seasonings.
- Pet foods made with marine ingredients.
- Cosmetics and skin care products.
- Decoration products.
- Gifts and seasonal products.

NEARSHORING:

- The pandemic has highlighted some failures related to the international trade processes that were previously imperceptible. In foreign trade, today we can clearly see some practices with which supply chains can be optimized, among them: nearshoring. Nearshoring is the outsourcing strategy by which a company transfers part of its production to third parties that, despite being located in other countries, are located in nearby destinations and within a similar time zone.



NEARSHORING:

- With the hit of the COVID-19 pandemic, the logistics of offshoring were seriously affected, since many of the Latin America's region suppliers are in Asia, being China one of the most important.
- The interruption of operations in China at the beginning of 2022 demonstrated the vulnerability of offshoring, especially when there is exclusivity in the suppliers, or when they are in the same country or region.



NEARSHORING: Advantages for Mexico.

- The difficult relations between China and the United States and the region's high demand of intermediate and finished goods.
- The USMCA, which facilitates trade between Mexico, the United States and Canada.
- Market access via free trade agreements to North, Central and South America, Europe and other important markets such as the U.K.
- The low labor costs and tax incentives offered to foreign investors.
- Fast and secure supply chains.
- The good performance of the national industry, especially in the automotive sector.



E-commerce after the COVID-19 outbreak:



- The E-commerce in Mexico generated a total of \$401.3 billion pesos during 2021, which represented 11.3% of the total retail channel in Mexico; local forecasts indicate that the share will reach 15% by the end of 2024.
- The electronic commerce in Mexico and Latin America has been the less affected sector by the inflationary context from the trading segment. At the beginning of the pandemic in 2020, the e-commerce sector showed a growth of 80% compared to 2019 and of 27% in 2021 in Mexico, including not only national online purchases but also imported products bought at international websites.

Most demanded products by Mexicans at e-commerce platforms:



- -Food delivery
- -Fashion products
- -Electronics
- -Cultural products such as books
- -Toys
- -Beauty and personal care
- -Home appliances
- -Furniture and home decoration
- -Sports
- -Tools

E-commerce forecast for Mexico:



- According to Statista, the forecast of percentage of online shoppers over the total population in Mexico from 2023 to 2027 will be as follows:
 - 2023: 52.5%
 - 2024: 55%
 - 2025: 57.6
 - 2026: 60.9
 - 2027: 64%
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- **Amazon is the top leader in terms of crossborder e-commerce among Mexican consumers.**

Investment opportunities:



- Ready to eat complete meals.
- Automotive sector: components and aftermarket pieces.
- Energetic sector, specifically oil.
- Plant -based foods and healthy snacks.
- Hospitality services: hotels, restaurants.

THANK YOU!

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