



Mexico

Market Overview

Mexico – a stable democracy of more than 120 million people and the most populous Spanish-speaking country in the world – is the United States’ third largest trading partner and second largest export market. More than \$580 billion in trade in goods and services crosses the U.S.-Mexico border every year – almost \$1.6 billion every day between the two countries.

The **Top Five Reasons** why U.S. companies should consider exporting to Mexico:

1. Location, location, location – it is literally right next door, and has well-developed supply chains.
2. The North American Free Trade Agreement (NAFTA) has eliminated most tariffs, reduced paperwork for exporting to Mexico and increased demand for U.S. goods and services. Mexico’s membership in the Trans Pacific Partnership (TPP) will further build on these outcomes.
3. Mexico continues to experience strong economic growth.
4. Recent economic reforms have liberalized key sectors such as energy and telecommunications.
5. Close cultural, social and economic ties make Mexico a natural market to consider for first-time and expanding exporters.

Key Sectors

Abundant market opportunities for U.S. firms exist in Mexico. Some of Mexico’s most promising sectors for U.S. exporters include:

- Agriculture,
- Agribusiness,
- Auto Parts and Services,
- Education Services,
- Energy,
- Environmental Technology,
- Franchising,
- Travel and Tourism Services,
- Housing and Construction,
- Packaging Equipment,
- Plastics and Resins,
- Security and Safety Equipment and Services,
- Information Technology Sectors, and
- Transportation Infrastructure Equipment and Services.

Additionally, the Government of Mexico announced in April 2014 a \$586 billion National Infrastructure Plan for execution through 2018. As projects in the transportation, water, energy, health, urban development, communications, and tourism sectors develop, opportunities to participate in major projects, sub-contracts, and sales to the federal government will grow.

Market Entry Considerations

To do business in Mexico, it is crucial to develop and maintain close relationships with clients and partners. Mexican companies are extremely price conscious, seek financing options, tend to desire exclusive agreements, and value outstanding service and flexibility. U.S. firms wishing to export to Mexico can be successful using a variety of market entry strategies.

The U.S. Commercial Service can assess market potential of products and service, provide advice on export strategies, and facilitate business agreements with potential clients and/or partners through its three offices in Mexico: Mexico City, Guadalajara, and Monterrey.

