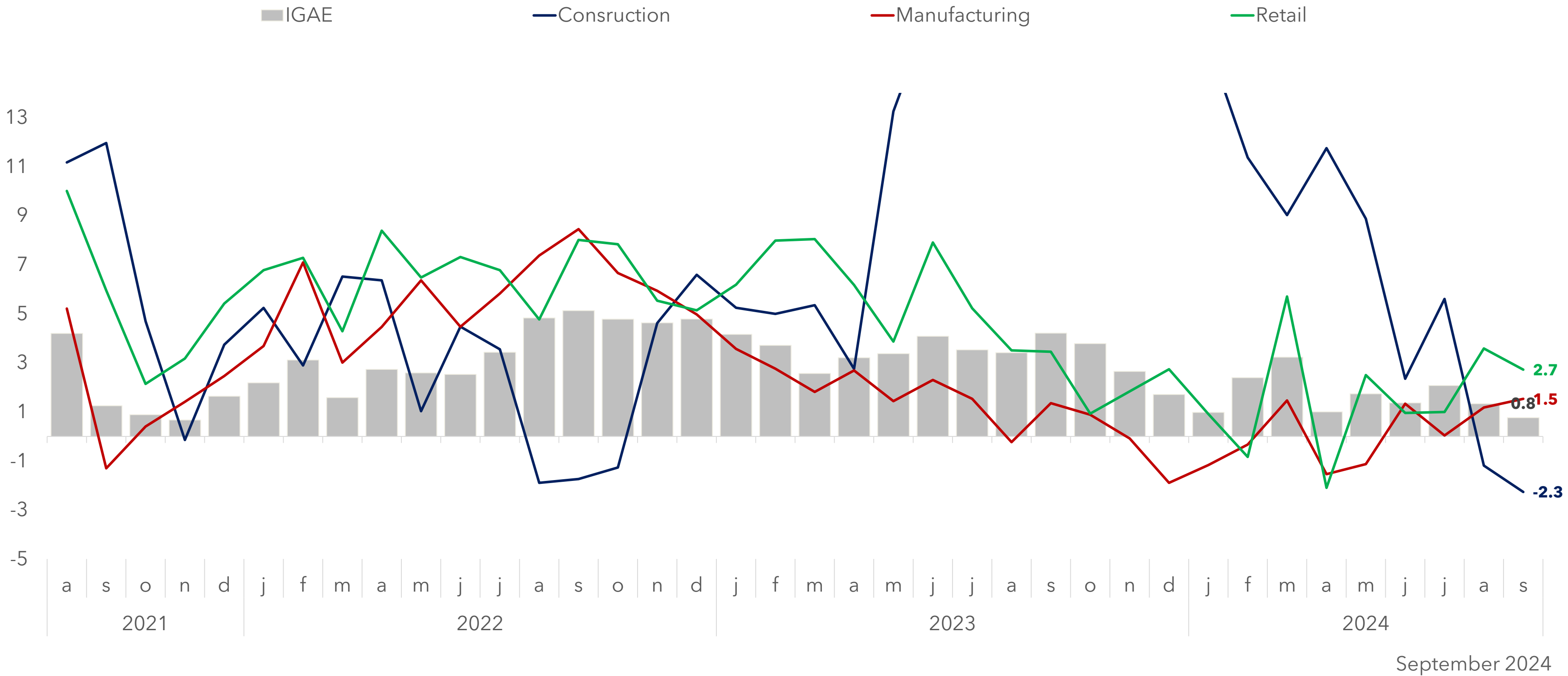




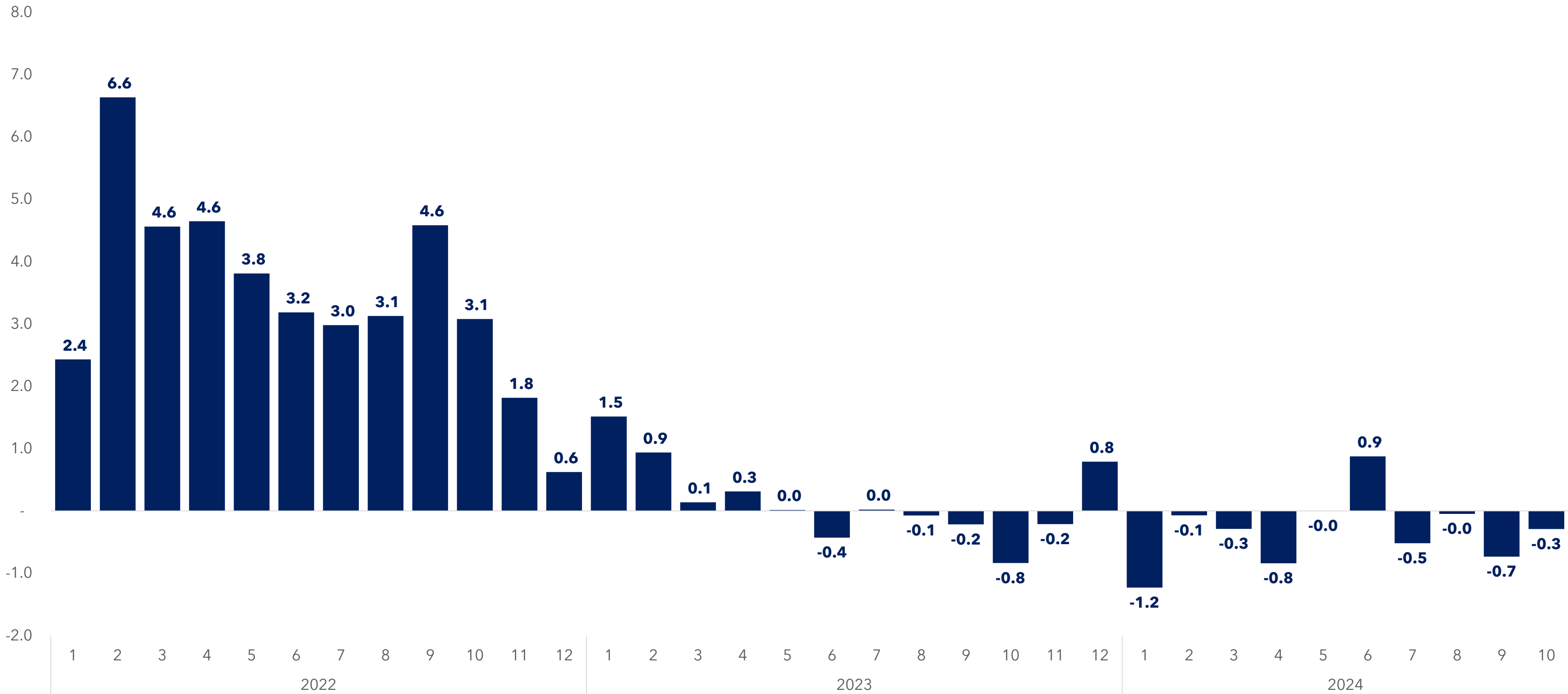
Mexico Economic Outlook and Nearshoring

Economic activity of Mexico

Global Indicator of Economic Activity (IGAE, in Spanish), annual variation



Industrial production of the United States



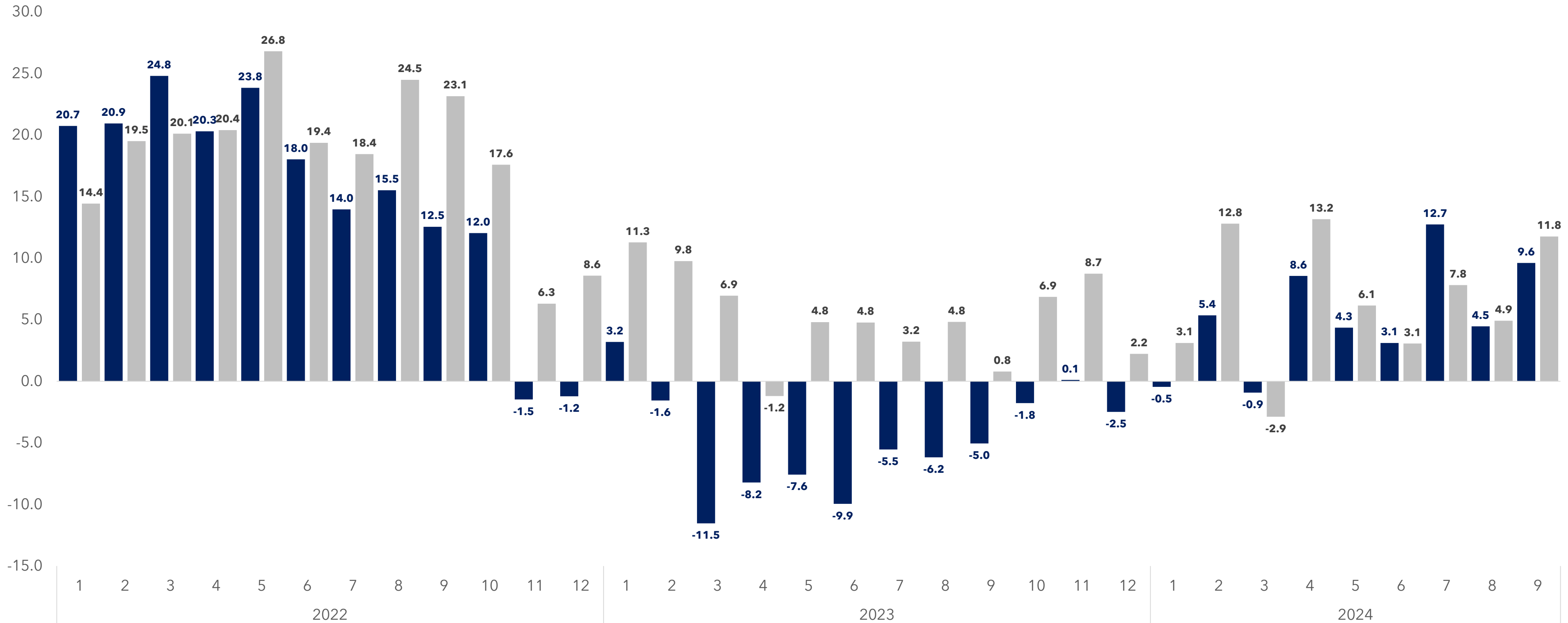
Source: FRED

October 2024

Import growth in the United States

Annual variation

■ Total imports ■ Imports from Mexico

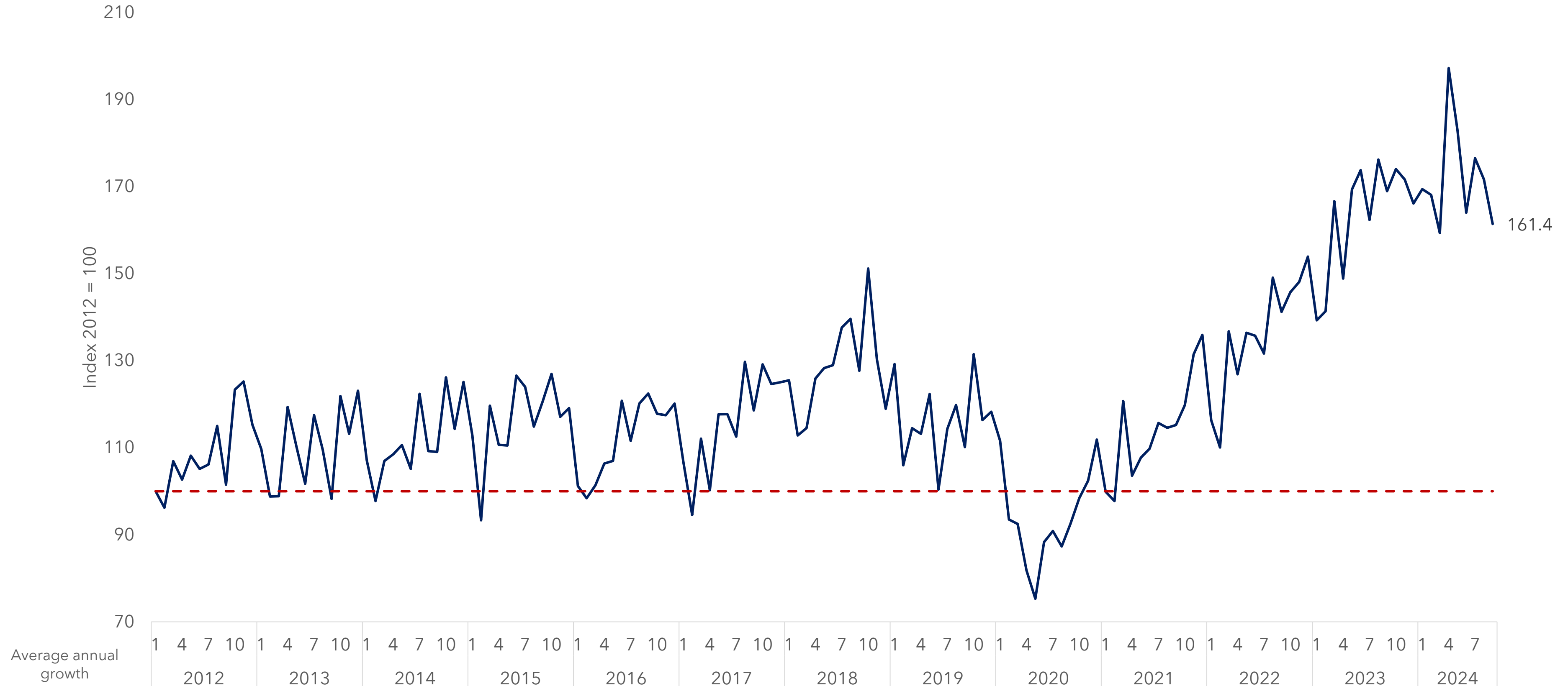


Source: US Census

September 2024

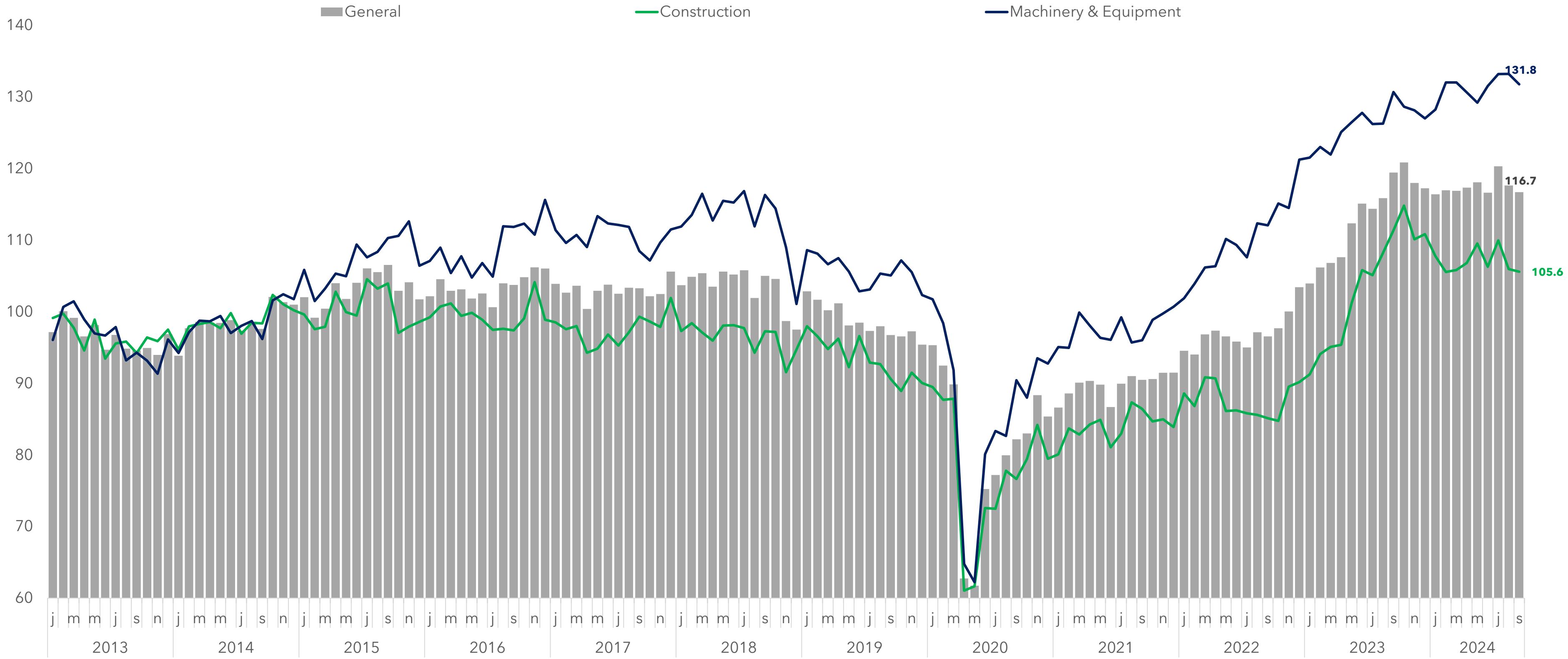
Mexican imports of capital goods

Index 2012=100



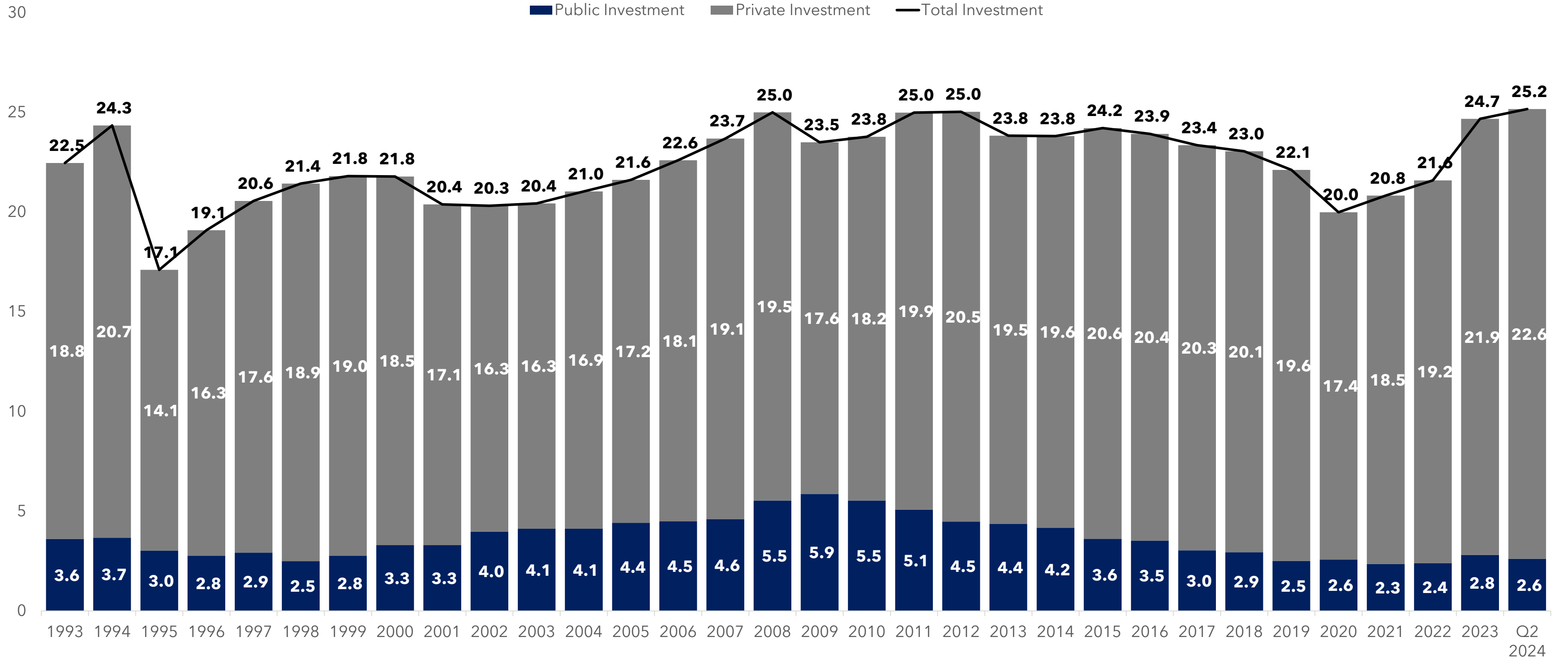
Gross Fixed Investment

2013-2024, indexed series, 100 = January 2012



Largest private sector investment ever, 2023-24

1993-2024, GDP percentage, by type of investment



Source: INEGI

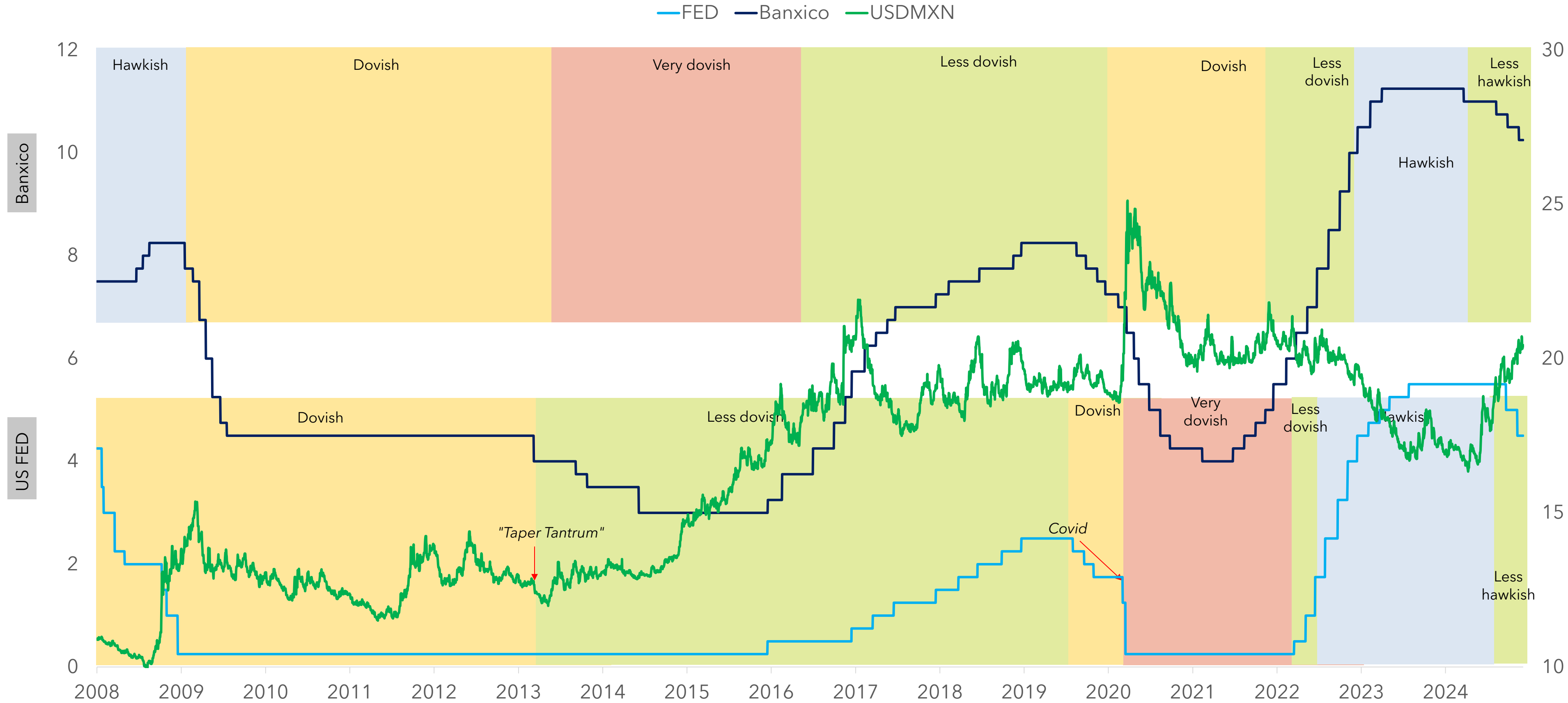
Real wages, wage bill and employees



Source: IMSS

October 2024

Monetary policy and exchange rate



FED Reference Rate and market yield for bonds with various maturities

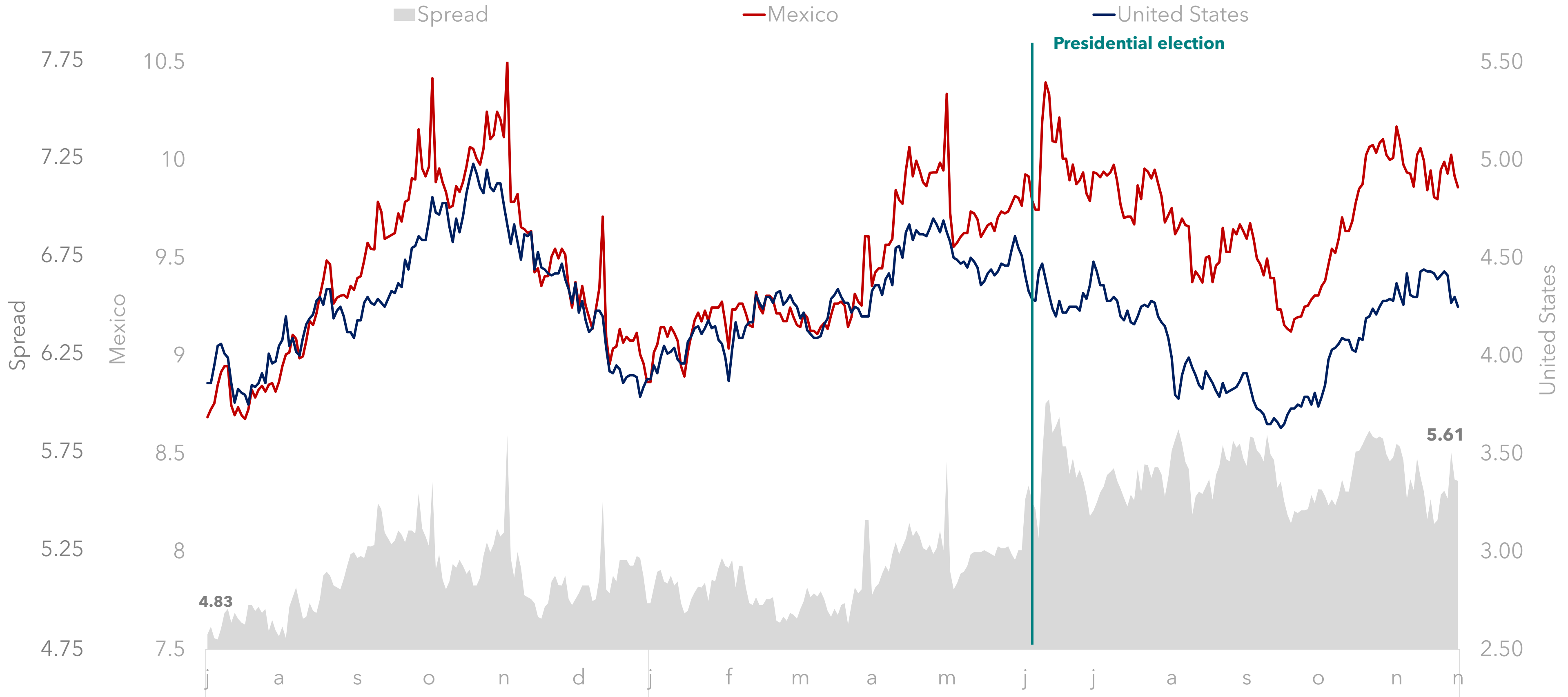
2022-2024, daily yield for bonds with maturities of 3 and 6 months as well as 1, 2, and 10 years



	FED reference rate	3-month yield	6-month yield	1-year yield	2-year yield	10-year yield
Annual change <i>Percentual points</i> <i>Average 2024</i>	0.32	0.12	-0.10	-0.28	-0.14	0.30

Market yield for 10-year bonds, Mexico and US

2023-2024, daily yield for 10-year bonds

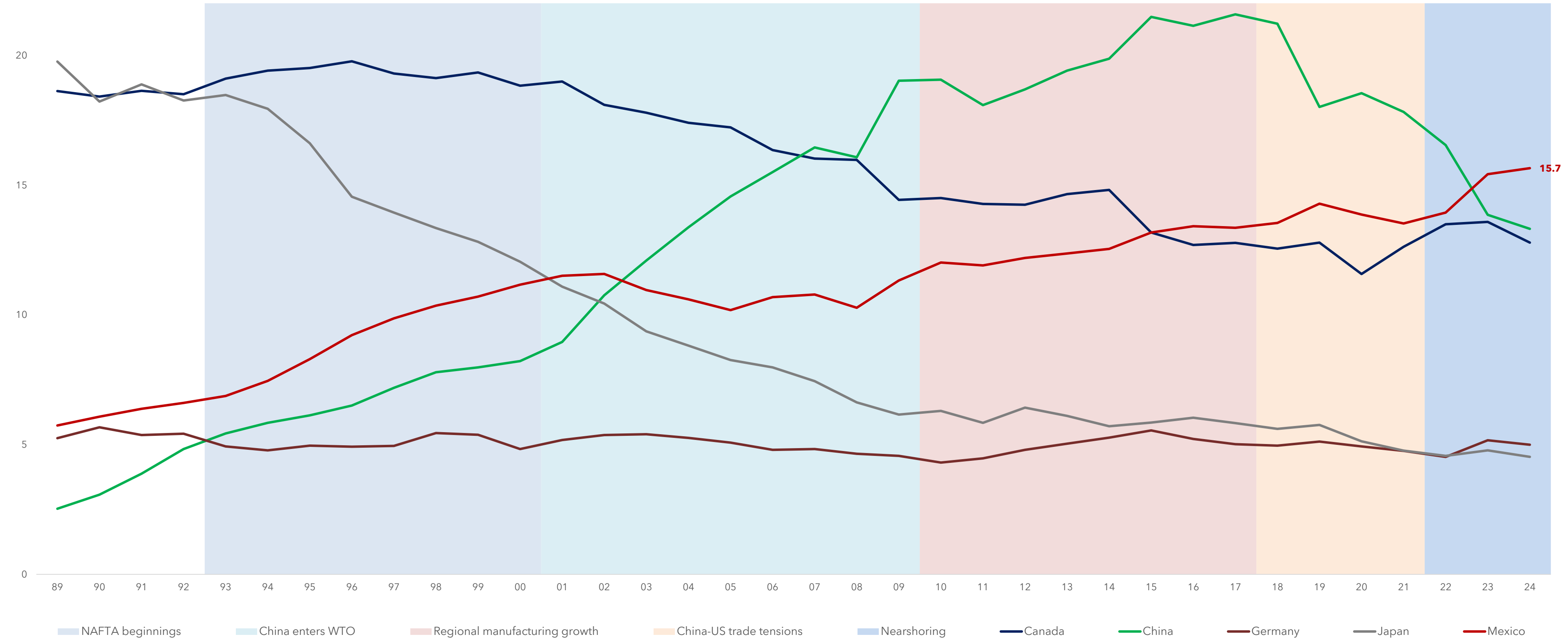


Source: Banxico, FRED

November 27, 2024

Market share of total U.S. imports

Share of imports, top 5 countries
In percentage

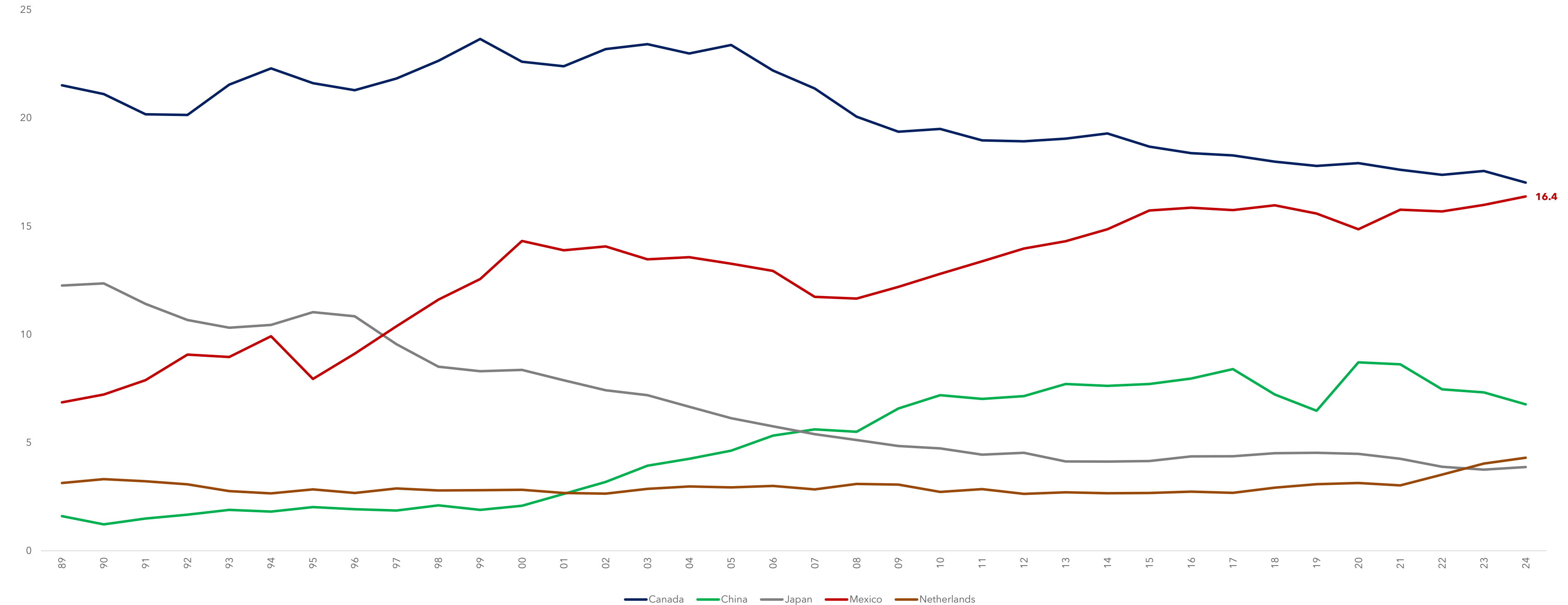


Source: US Census

2024: cumulative through September

Main export destinations of the United States

Participation in exports, top 5 countries
In percentage

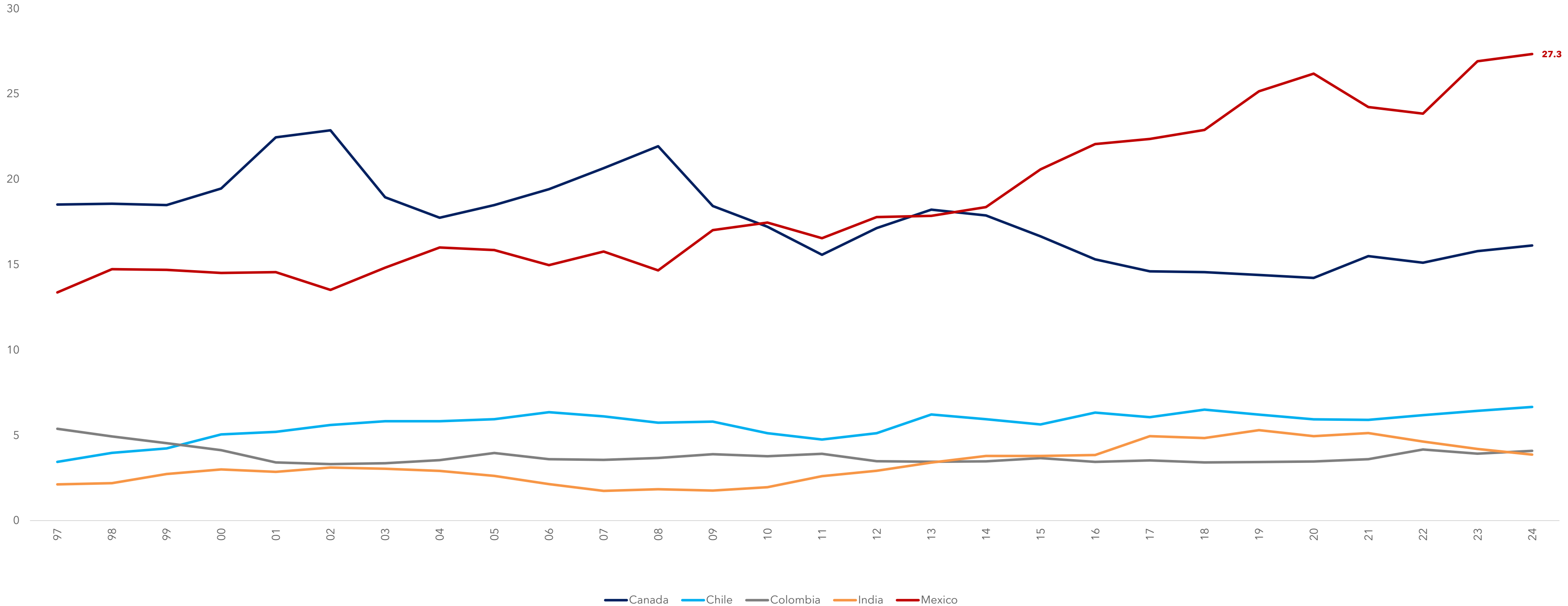


Source: US Census

2024: cumulative through September

Market share of U.S. agricultural imports

Share of imports, top 5 countries
In percentage

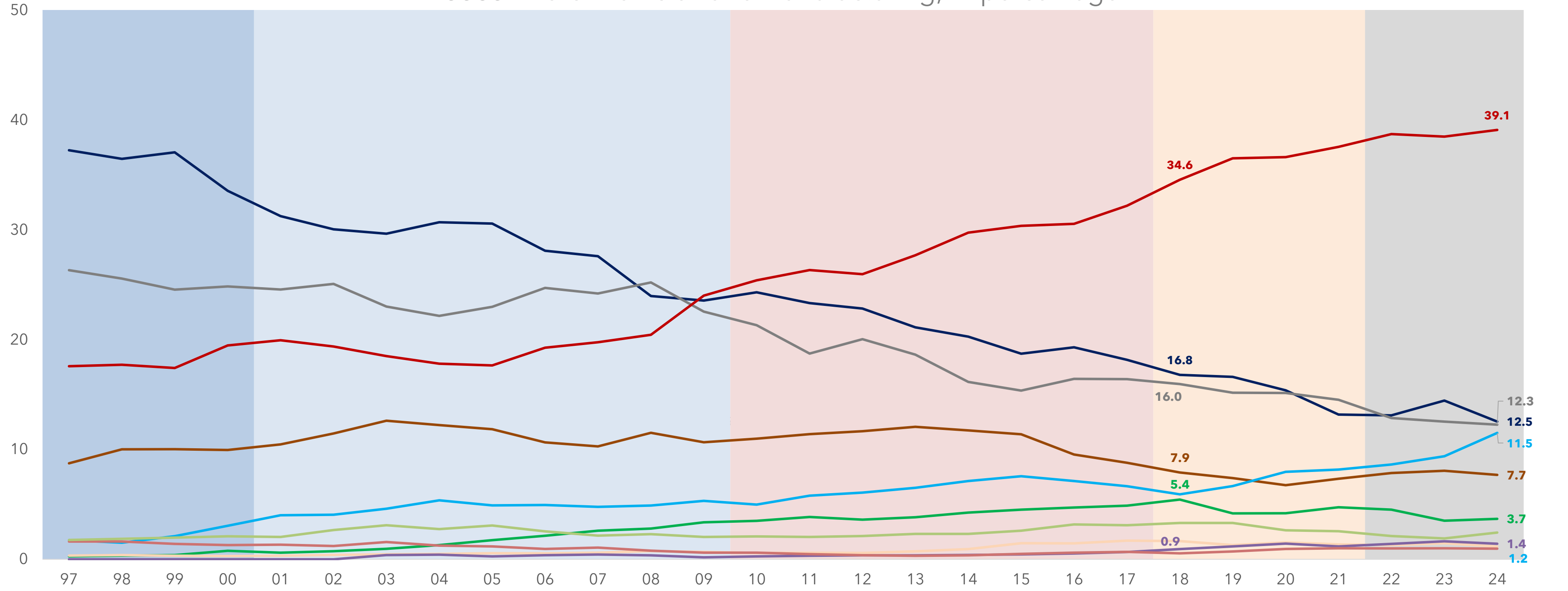


Source: USITC

2024: cumulative through September

Market share of U.S. imports of motor vehicle and auto parts

Share of imports, selected countries, NAICS 3361: Motor Vehicle; 3362: Motor Vehicle Bodies & Trailers; 3363: Motor Vehicle Parts Manufacturing; in percentage

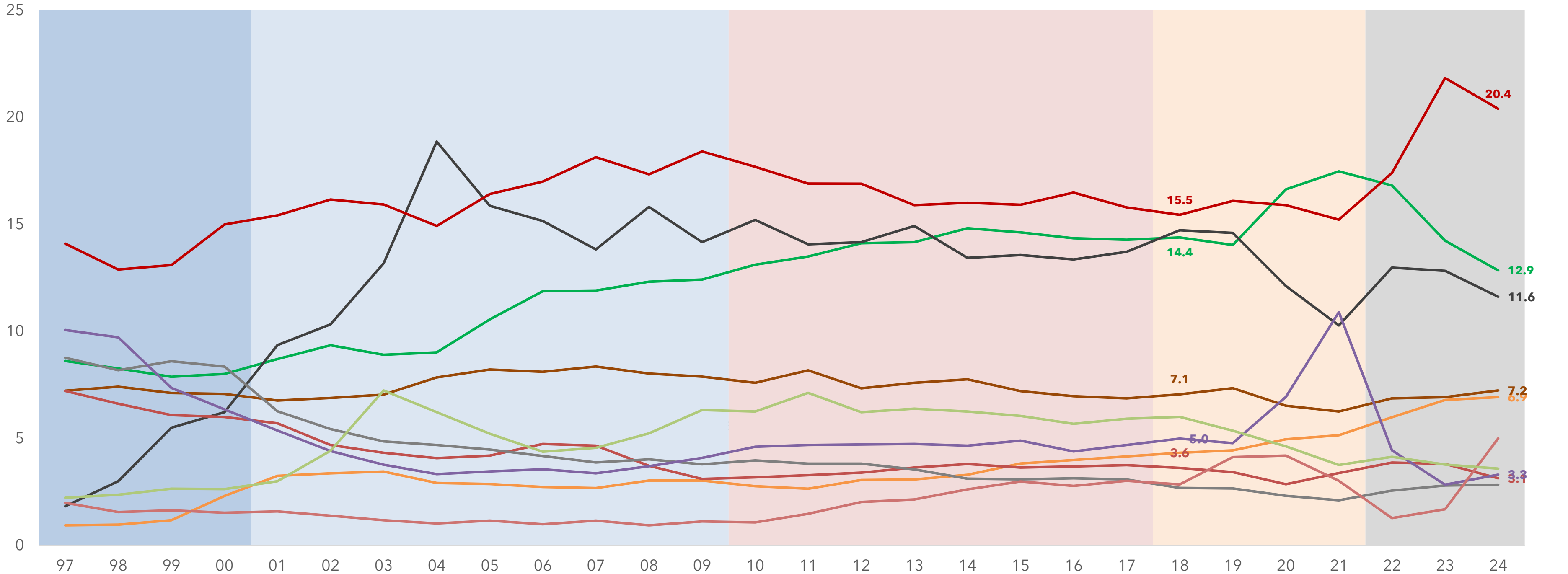


Source: USITC

2024: cumulative through September

Market share of U.S. imports of medical devices

Share of imports, selected countries, NAICS 3391: Medical Equipment & Supplies
In percentage



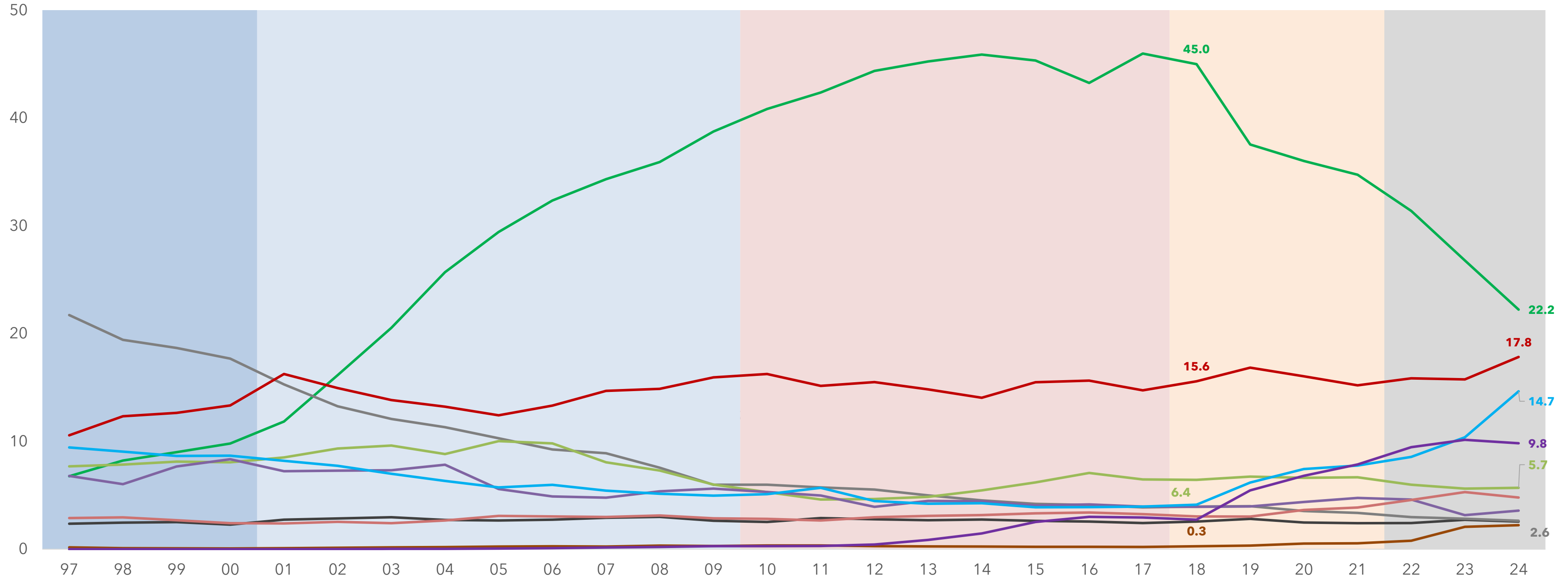
NAFTA beginnings
China enters WTO
Regional manufacturing growth
China-US trade tensions
Nearshoring
China
Costa Rica
Germany
Ireland
Italy
Japan
Malaysia
Mexico
Singapore
Switzerland

Source: USITC

2024: cumulative through September

Market share of U.S. imports of computer and electronics

Selected countries, NAICS 334: Computer and Electronic Product Manufacturing
In percentage

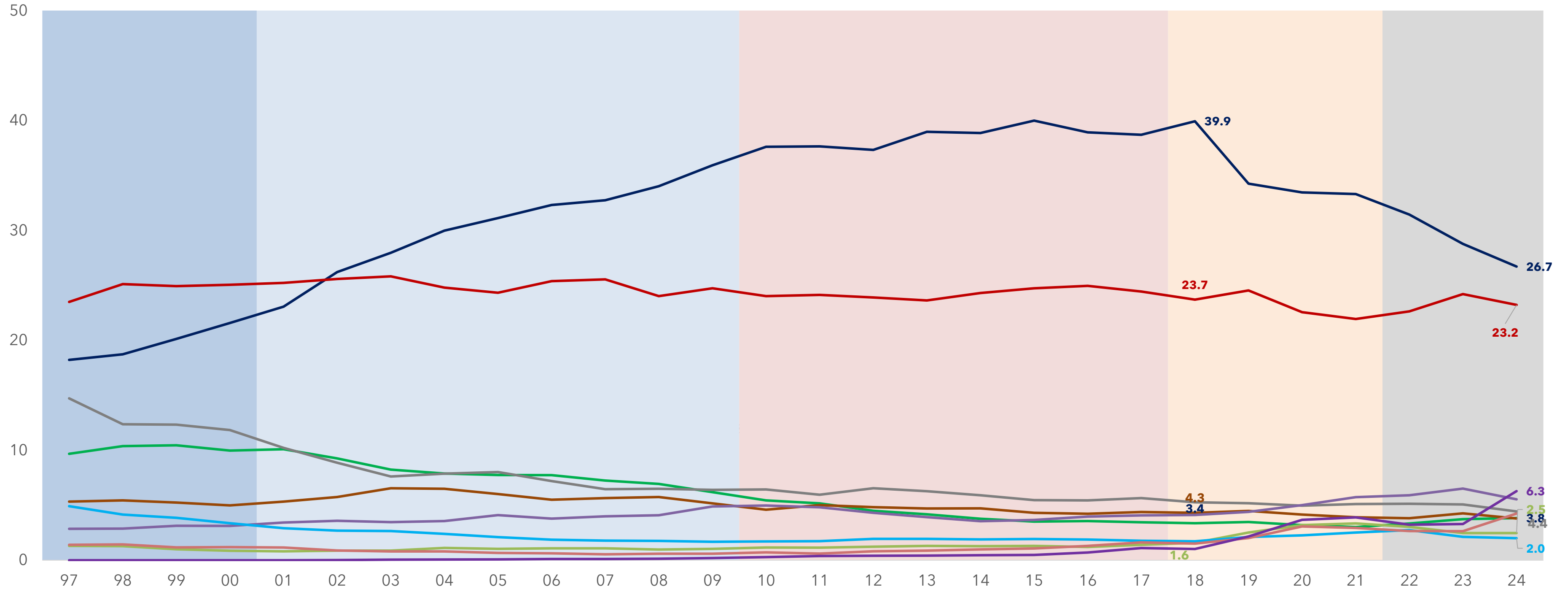


Source: USITC

2024 cumulative through September

Market share of U.S. imports of electrical equipment

Selected countries, NAICS 335: Electrical Equipment, Appliance, and Component Manufacturing
In percentage



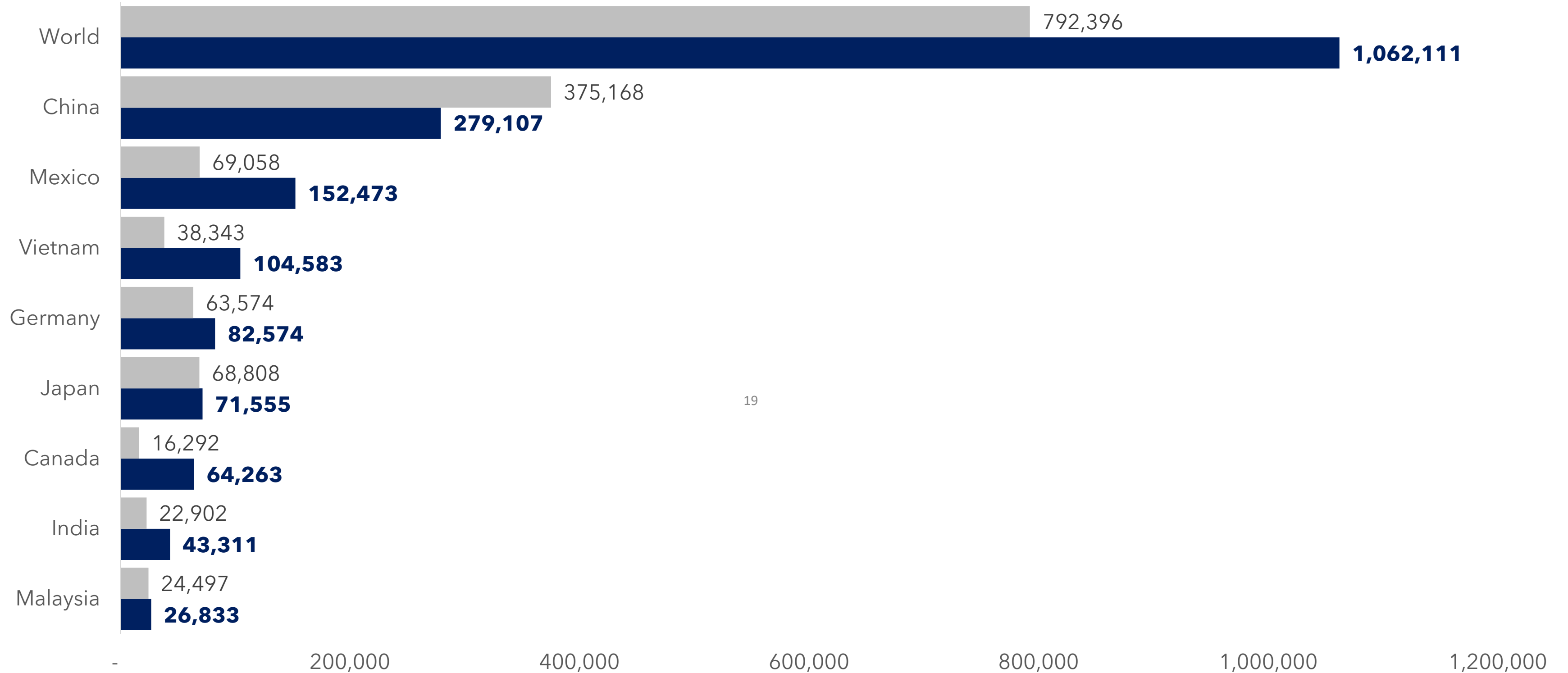
Source: USITC

2024 cumulative through September

U.S. Trade deficit by country - Goods

2017, 2023; millions of dollars, selected countries

■ 2017 ■ 2023

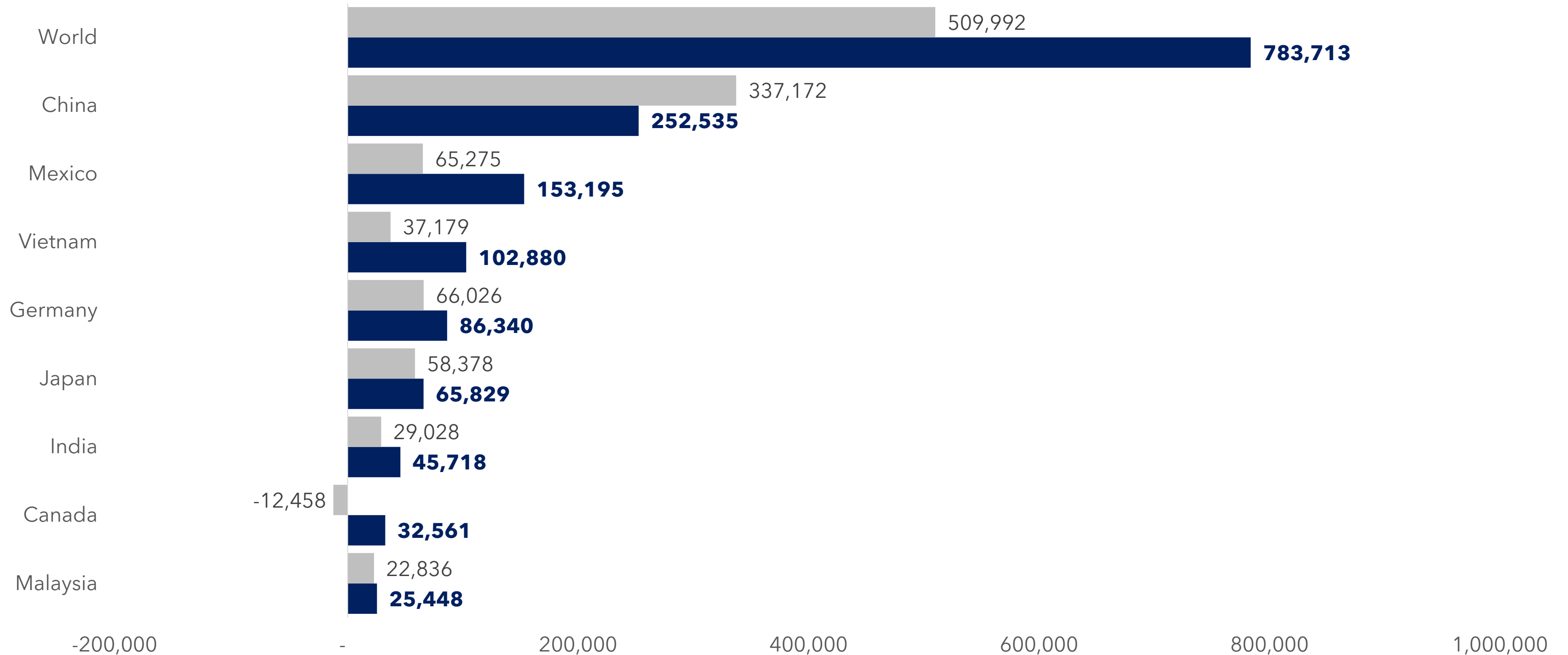


Source: USITC

U.S. Trade deficit by country - Goods and Services

2017, 2023; millions of dollars, selected countries

■ 2017 ■ 2023

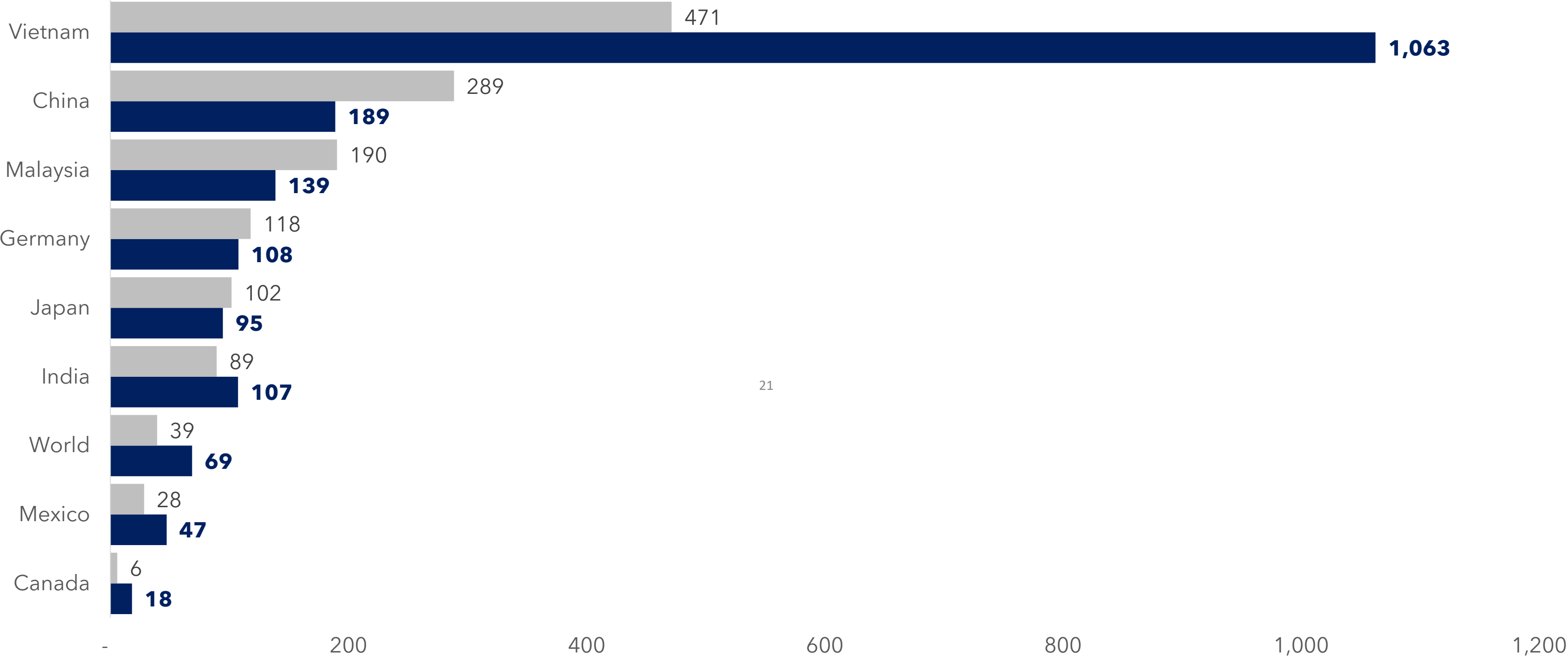


Source: USITC, WTO

U.S. Trade deficit as a proportion of U.S. exports by country - Goods

2017, 2023; millions of dollars, selected countries

■ 2017 ■ 2023

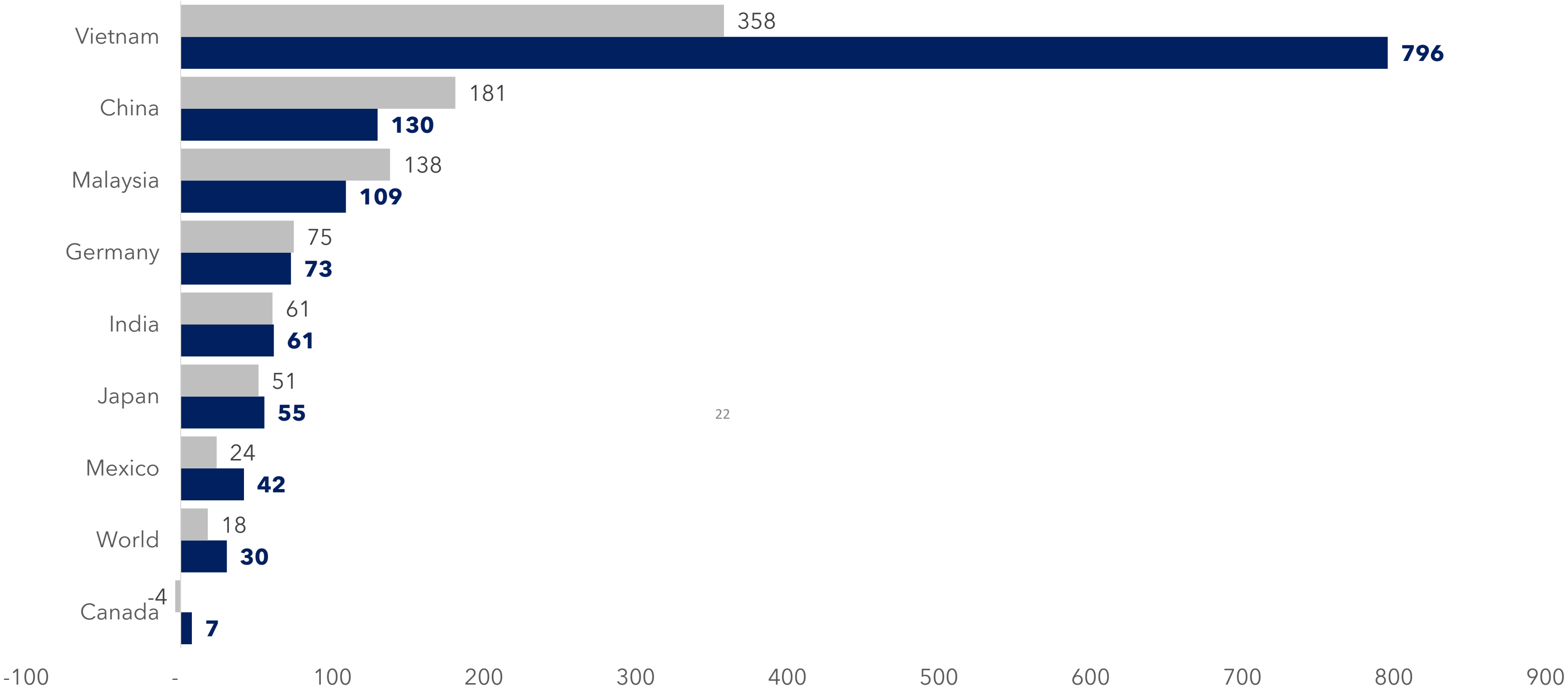


Source: USITC

U.S. Trade deficit as a proportion of U.S. exports by country - Goods and Services

2017, 2023; millions of dollars, selected countries

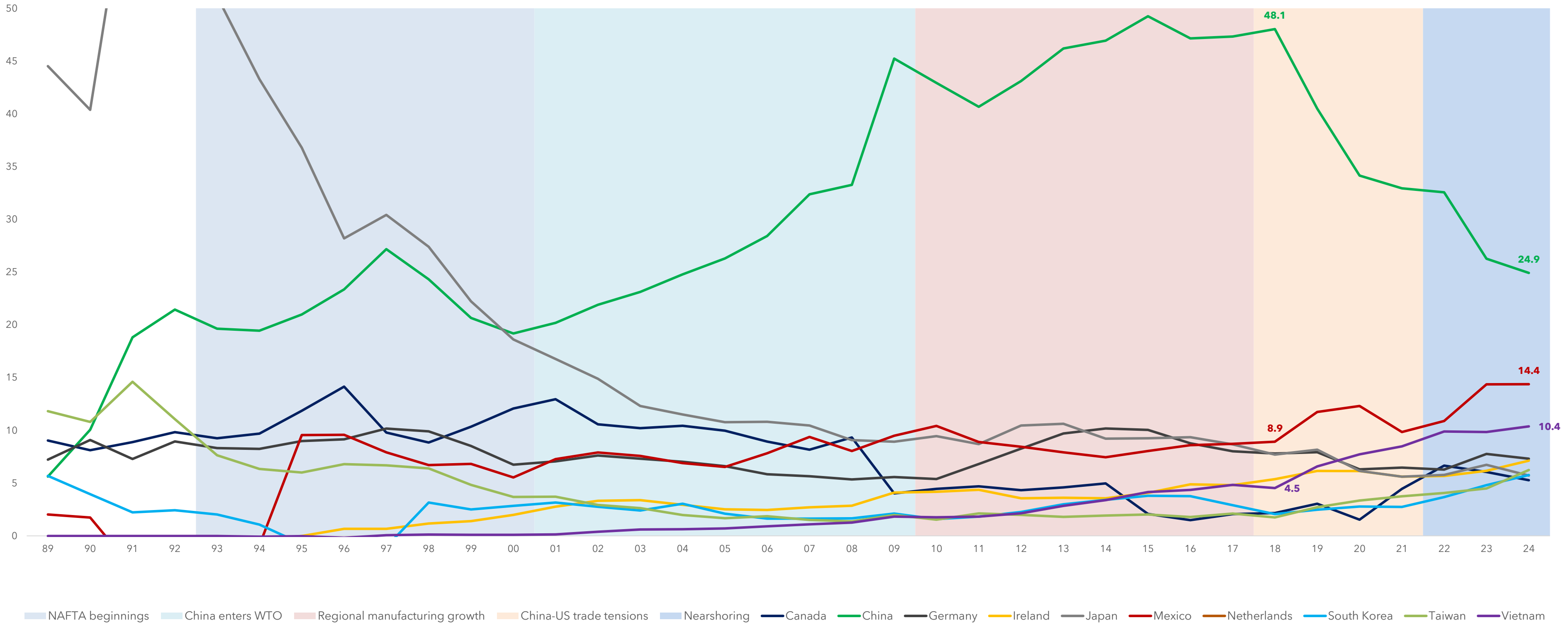
■ 2017 ■ 2023



Source: USITC, WTO

Market share of U.S. trade deficit

Selected countries
In percentage

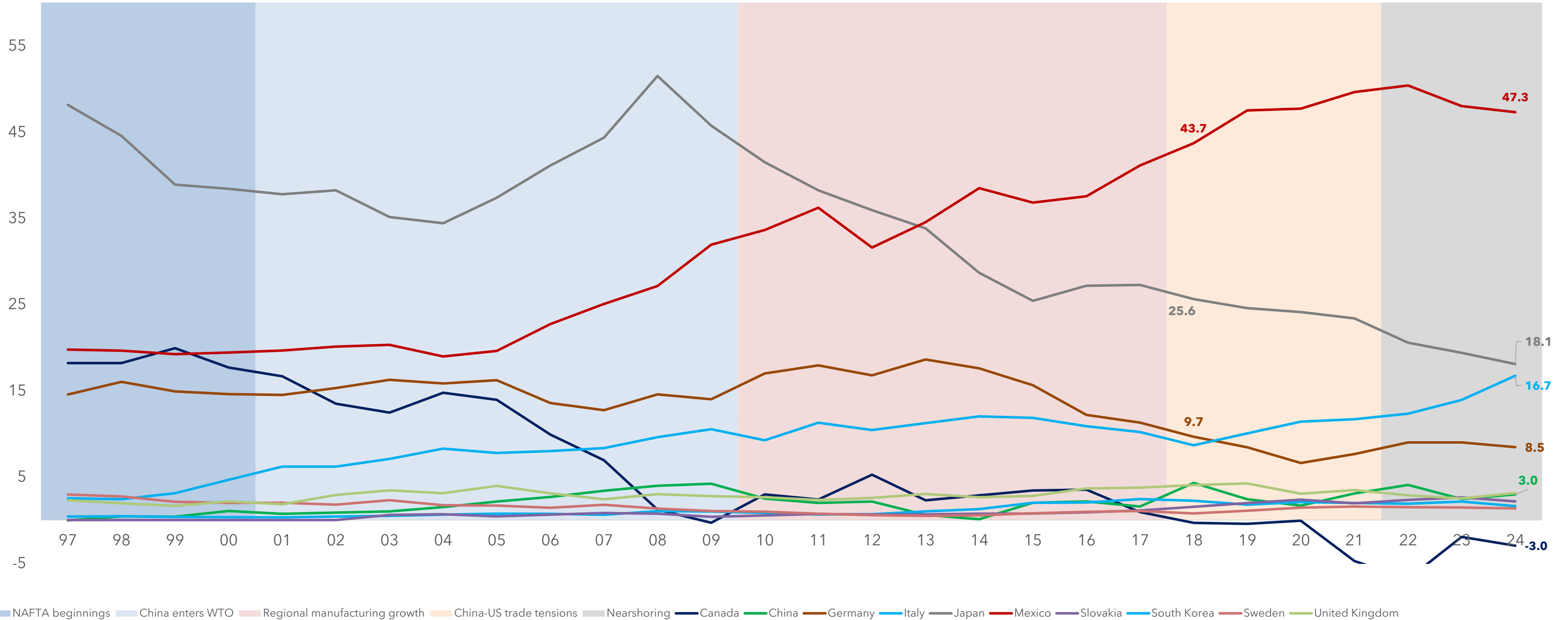


Source: USITC

2024 cumulative through September

Market share of U.S. trade deficit in motor vehicle and auto parts

Selected countries, NAICS 3361: Motor Vehicle; 3362: Motor Vehicle Bodies & Trailers; 3363: Motor Vehicle Parts Manufacturing
In percentage

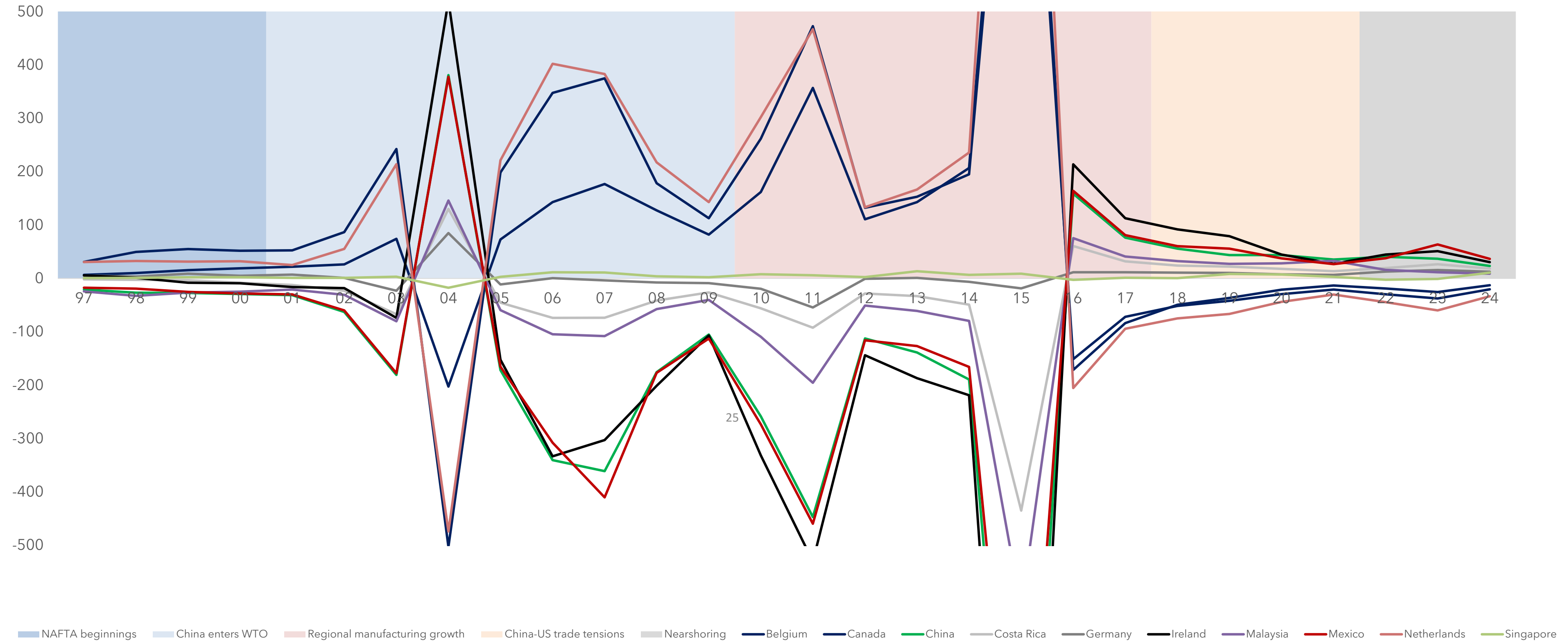


Source: USITC

2024 cumulative through September

Market share of U.S. trade deficit in medical devices

Selected countries, NAICS 3391: Medical Equipment & Supplies
In percentage

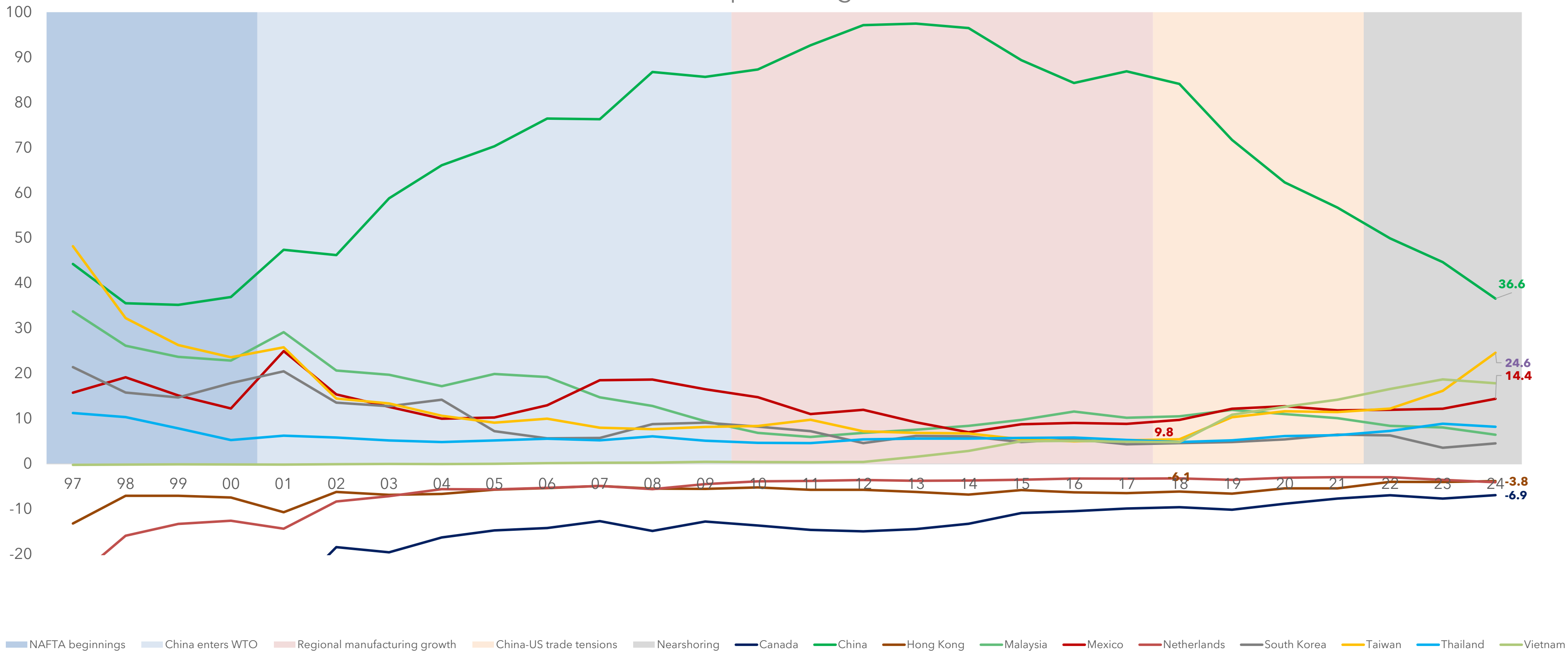


Source: USITC

2024 cumulative through September

Market share of U.S. trade deficit in computer and electronics

Selected countries, NAICS 334: Computer and Electronic Product Manufacturing
In percentage

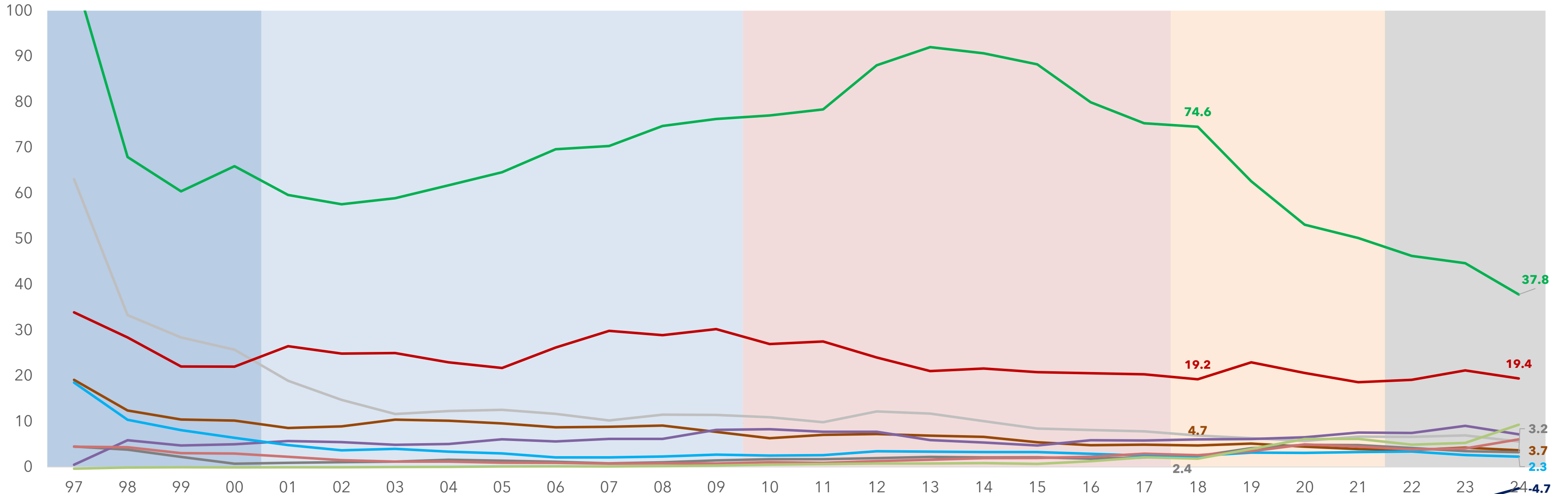


Source: USITC

2024 cumulative through September

Market share of U.S. trade deficit in electrical equipment

Selected countries, NAICS 335: Electrical Equipment, Appliance, and Component Manufacturing
In percentage

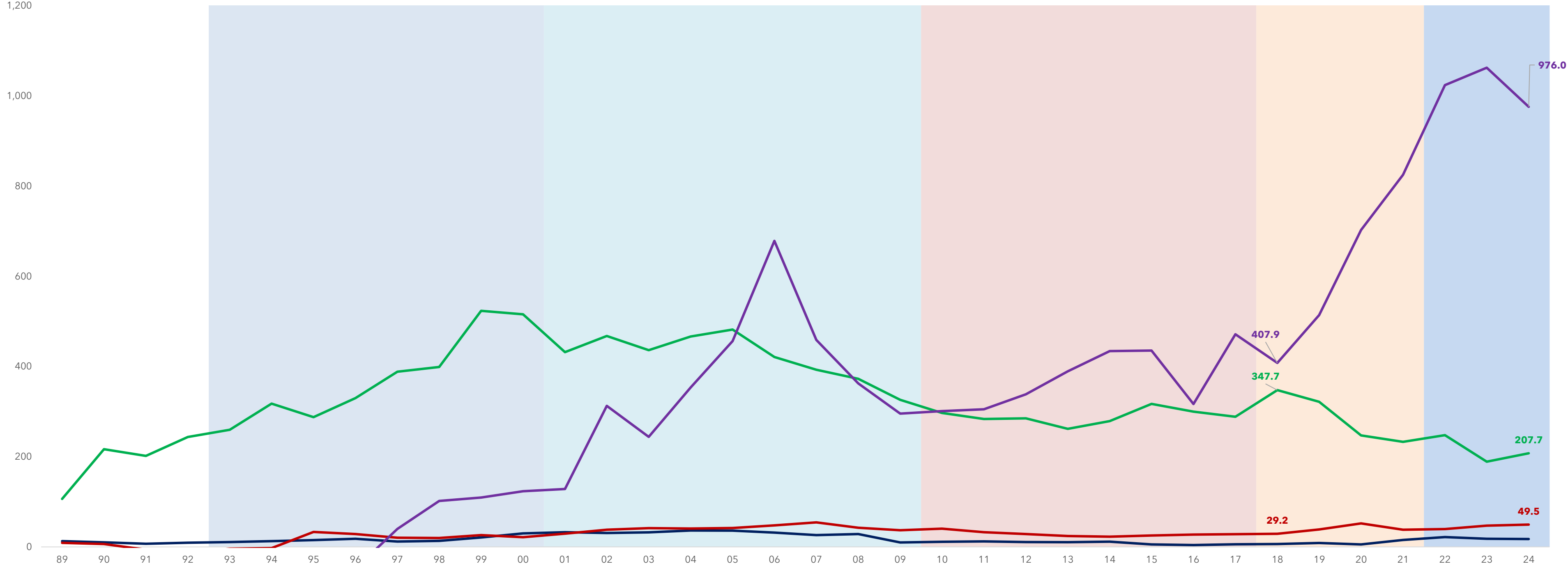


Source: USITC

2024 cumulative through September

Total U.S. trade deficit as a proportion of U.S. exports to each country

Selected countries
In percentage



NAFTA beginnings

China enters WTO

Regional manufacturing growth

China-US trade tensions

Nearshoring

Canada

China

Mexico

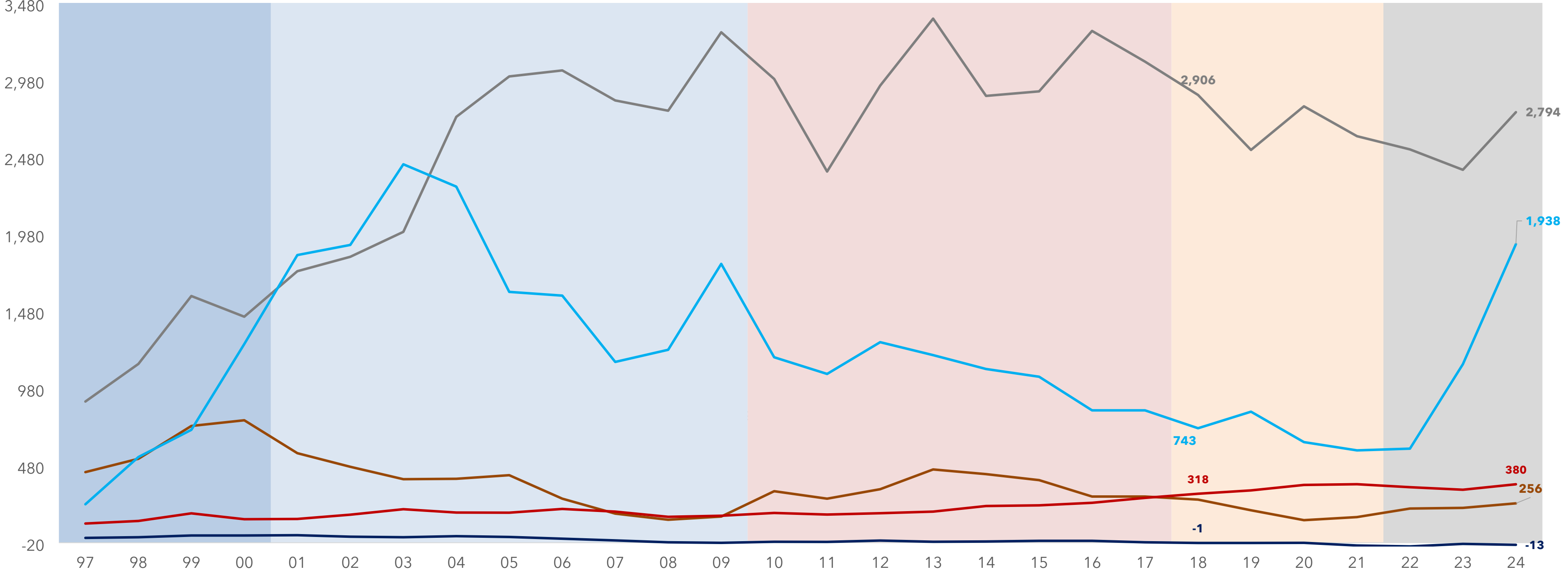
Vietnam

Source: USITC

2024 cumulative through September

U.S. trade deficit as a proportion of U.S. exports to each country of motor vehicle and auto parts

Selected countries, NAICS 3361: Motor Vehicle; 3362: Motor Vehicle Bodies & Trailers; 3363: Motor Vehicle Parts Manufacturing
In percentages



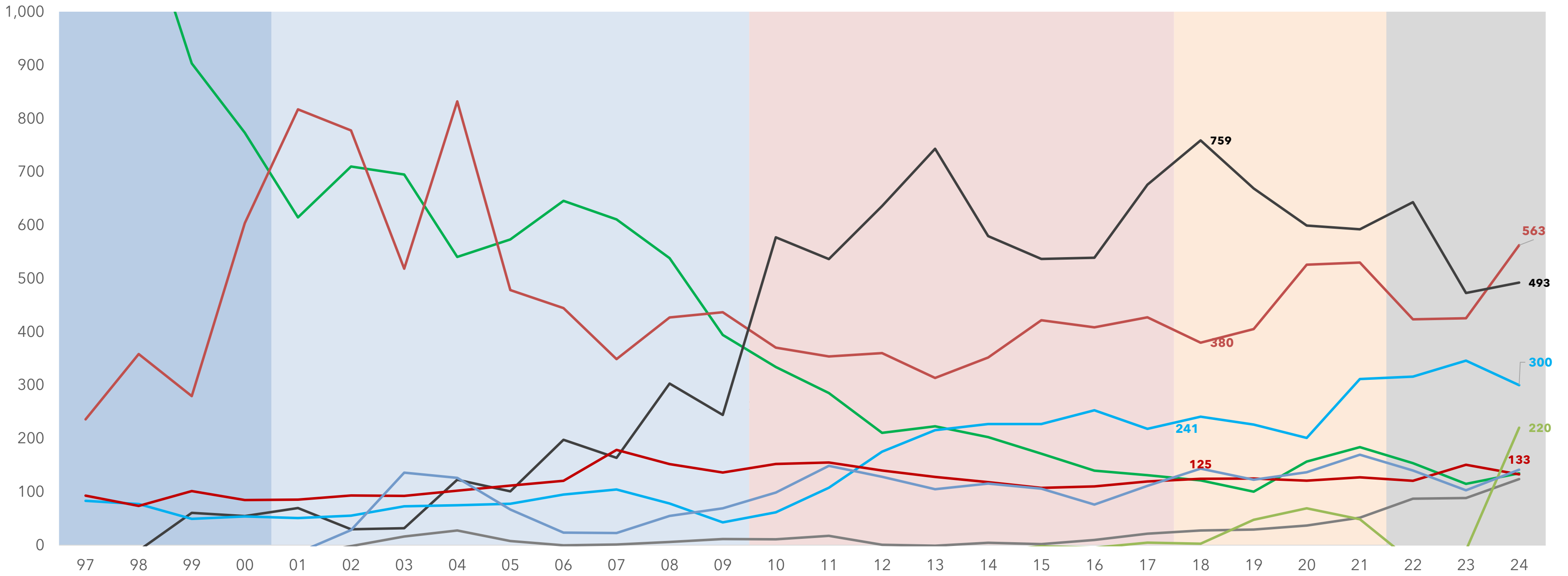
NAFTA beginnings
China enters WTO
Regional manufacturing growth
China-US trade tensions
Nearshoring
Canada
Germany
Japan
Mexico
South Korea

Source: USITC

2024 cumulative through September

U.S. trade deficit as a proportion of U.S. exports to each country of medical devices

Selected countries, NAICS 3391: Medical Equipment & Supplies
In percentages



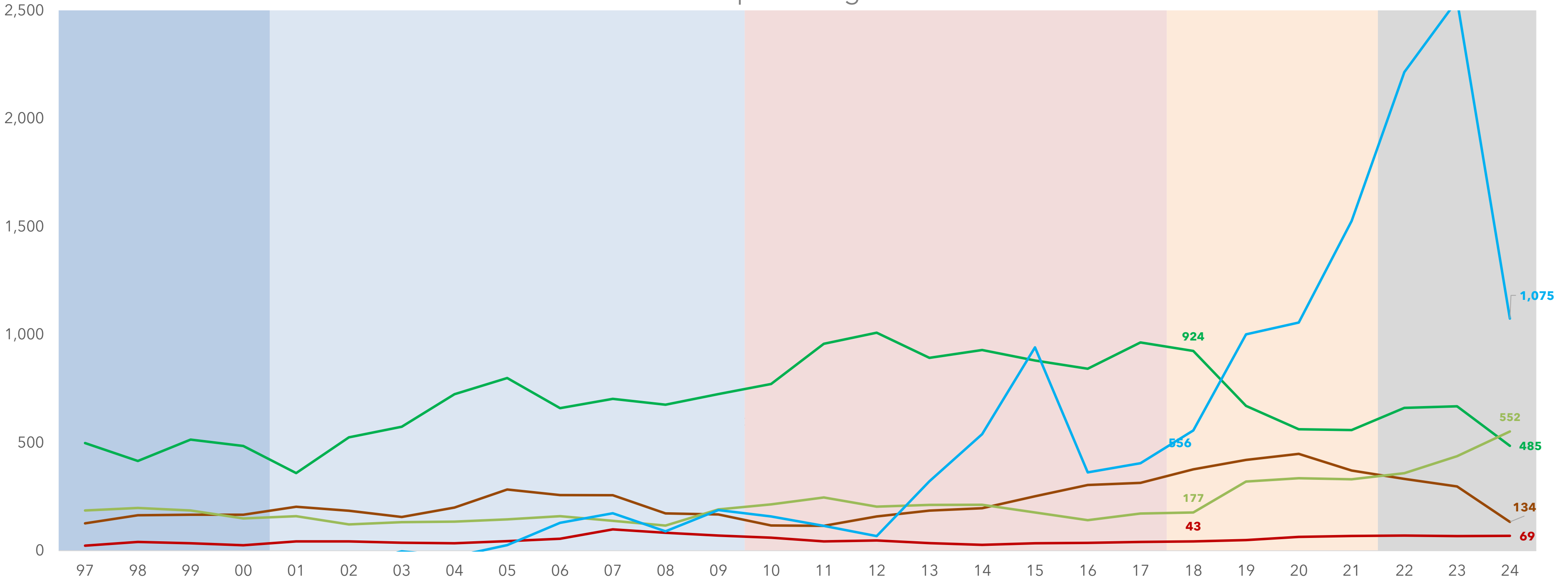
■ NAFTA beginnings
 ■ China enters WTO
 ■ Regional manufacturing growth
 ■ China-US trade tensions
 ■ Nearshoring
 ■ China
 ■ Costa Rica
 ■ Germany
 ■ Ireland
 ■ Italy
 ■ Mexico
 ■ Singapore
 ■ Switzerland

Source: USITC

2024 cumulative through September

U.S. trade deficit as a proportion of U.S. exports to each country of computer and electronics

Selected countries, NAICS 334: Computer and Electronic Product Manufacturing
In percentages



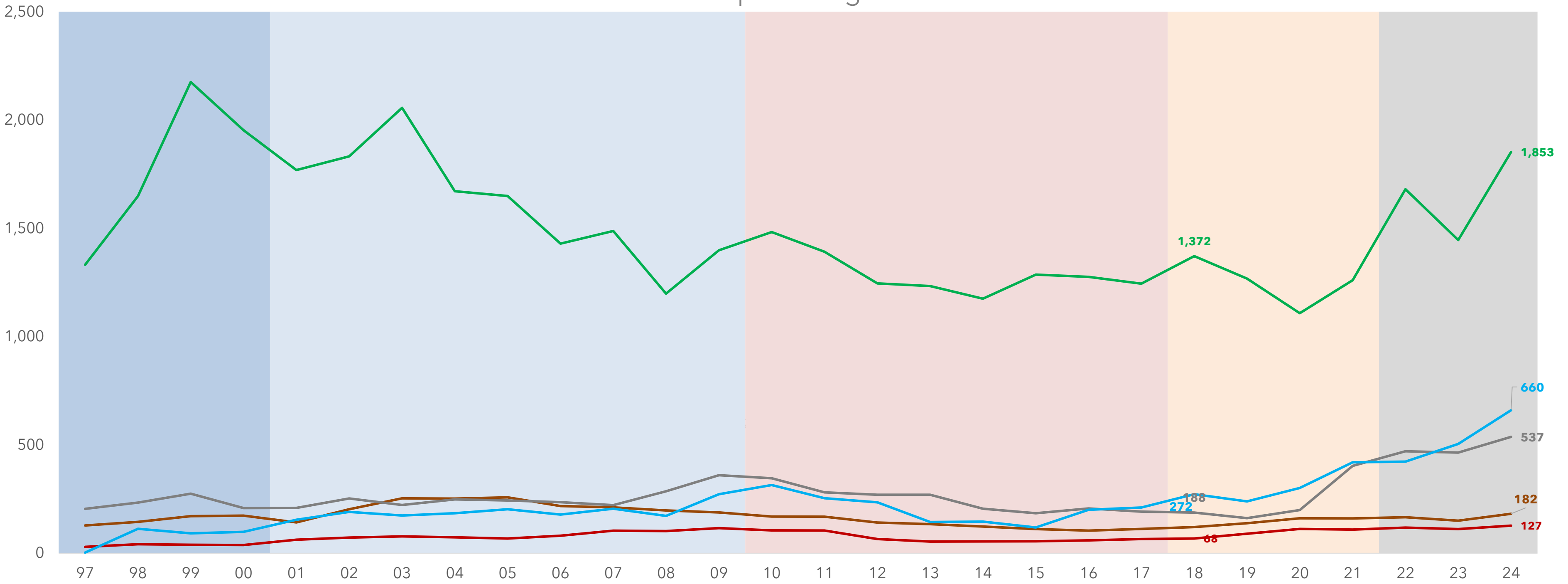
NAFTA beginnings
China enters WTO
Regional manufacturing growth
China-US trade tensions
Nearshoring
China
Malaysia
Mexico
Taiwan
Vietnam

Source: USITC

2024 cumulative through September

U.S. trade deficit as a proportion of U.S. exports to each country of electrical equipment

Selected countries, NAICS 335: Electrical Equipment, Appliance, and Component Manufacturing
In percentages



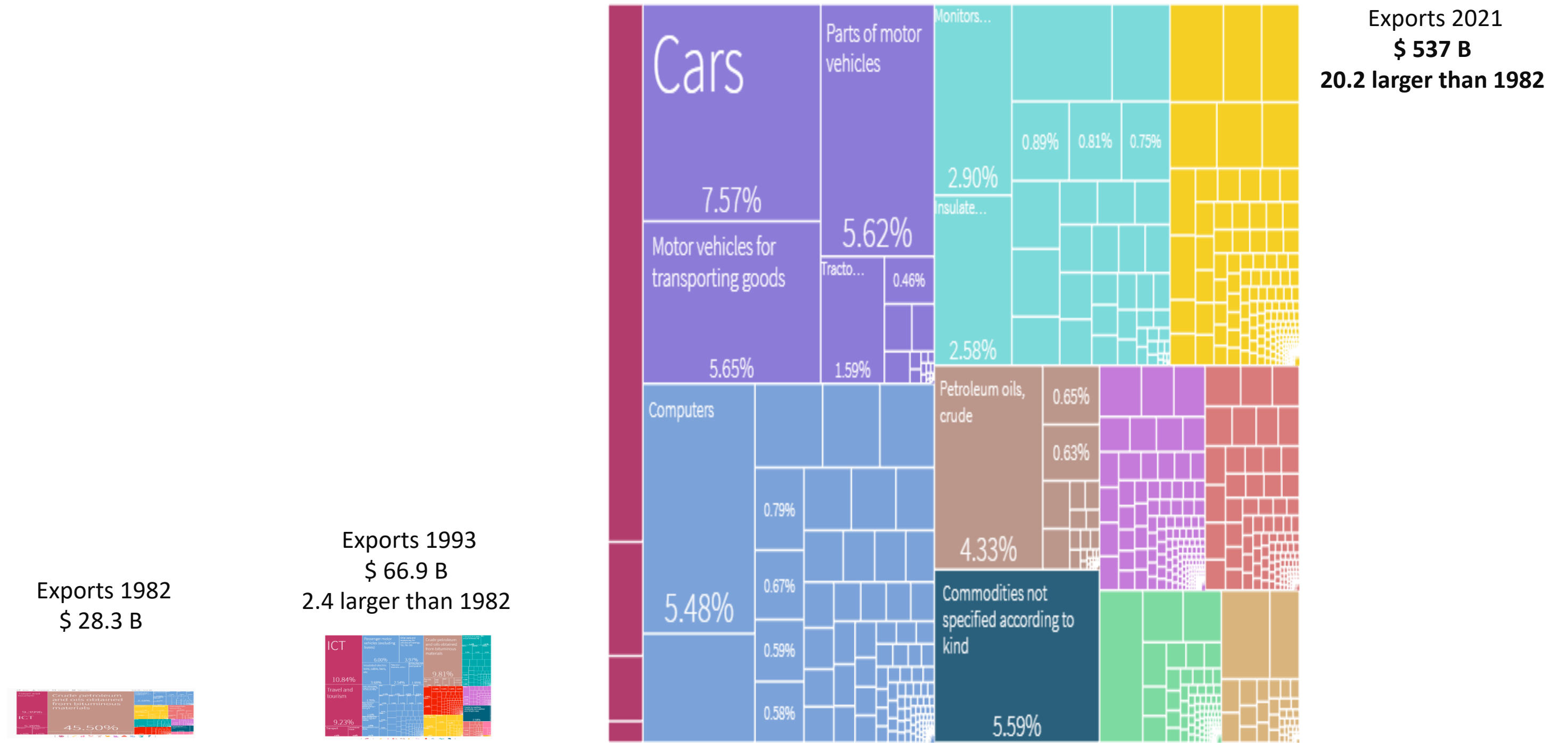
NAFTA beginnings
China enters WTO
Regional manufacturing growth
China-US trade tensions
Nearshoring
China
Germany
Japan
Mexico
South Korea

Source: USITC

2024 cumulative through September

Mexico is more complex than what is believed...

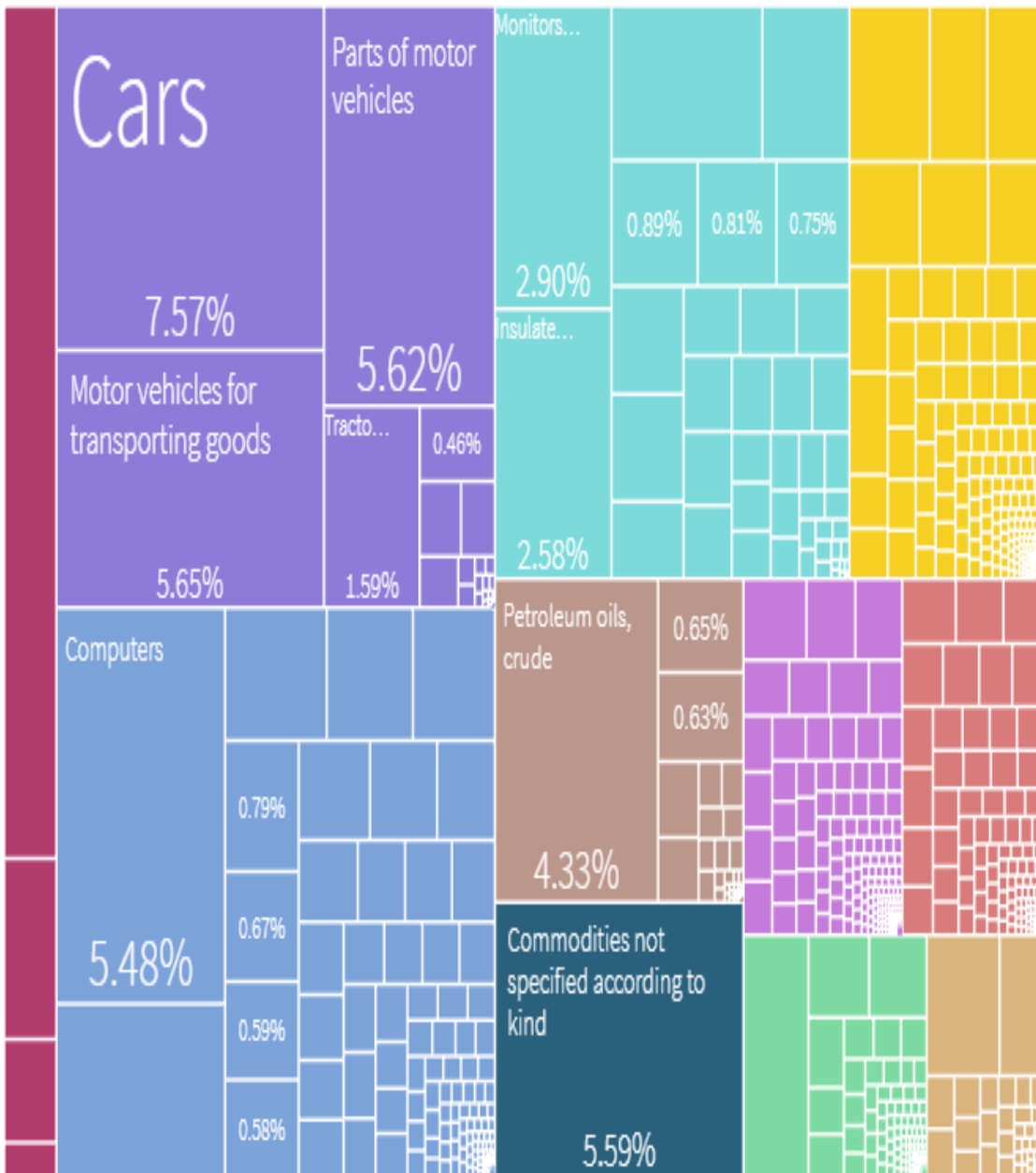
Total exports, in billions of dollars



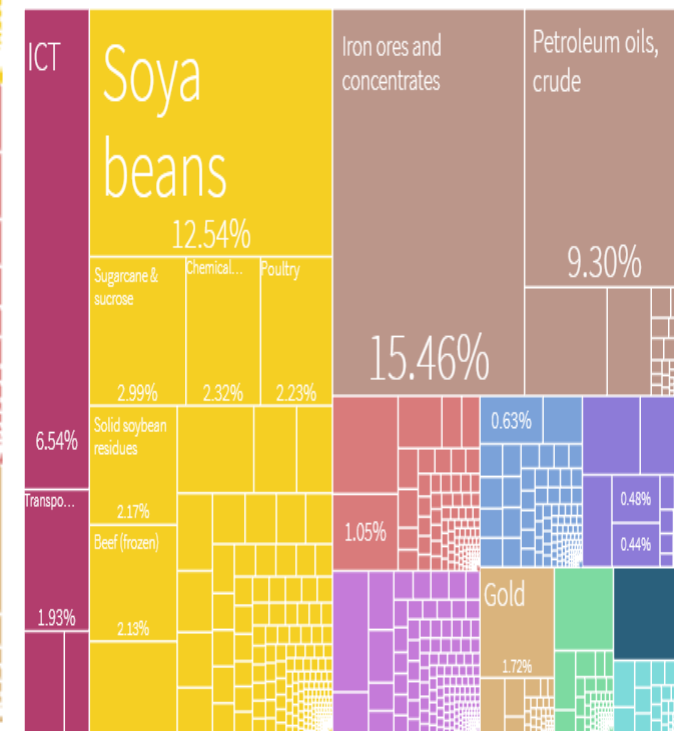
More complex than its Latin American peers...

Total exports, in billions of dollars

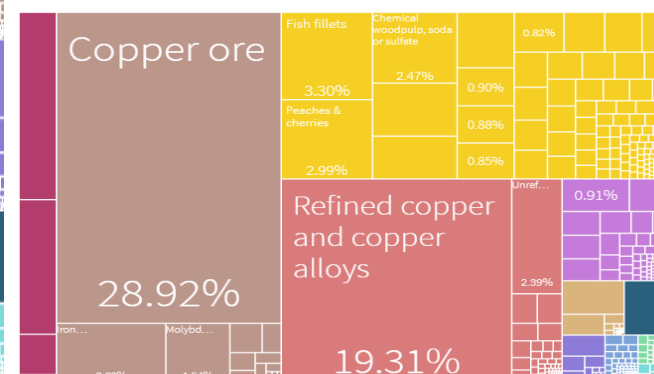
Mexico exports 2021
\$ 537 B



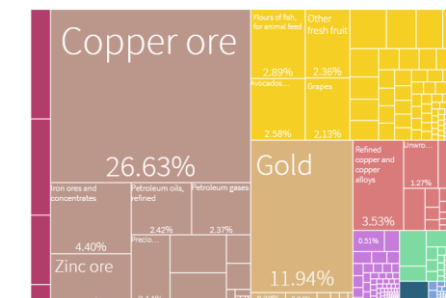
Brazil exports 2021
\$ 335 B



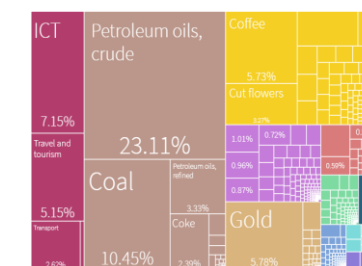
Chile exports 2021
\$ 104 B



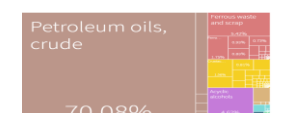
Peru exports 2021
\$ 64.7 B



Colombia exports 2021
\$ 53.3 B



Venezuela exports 2021
\$ 12 B

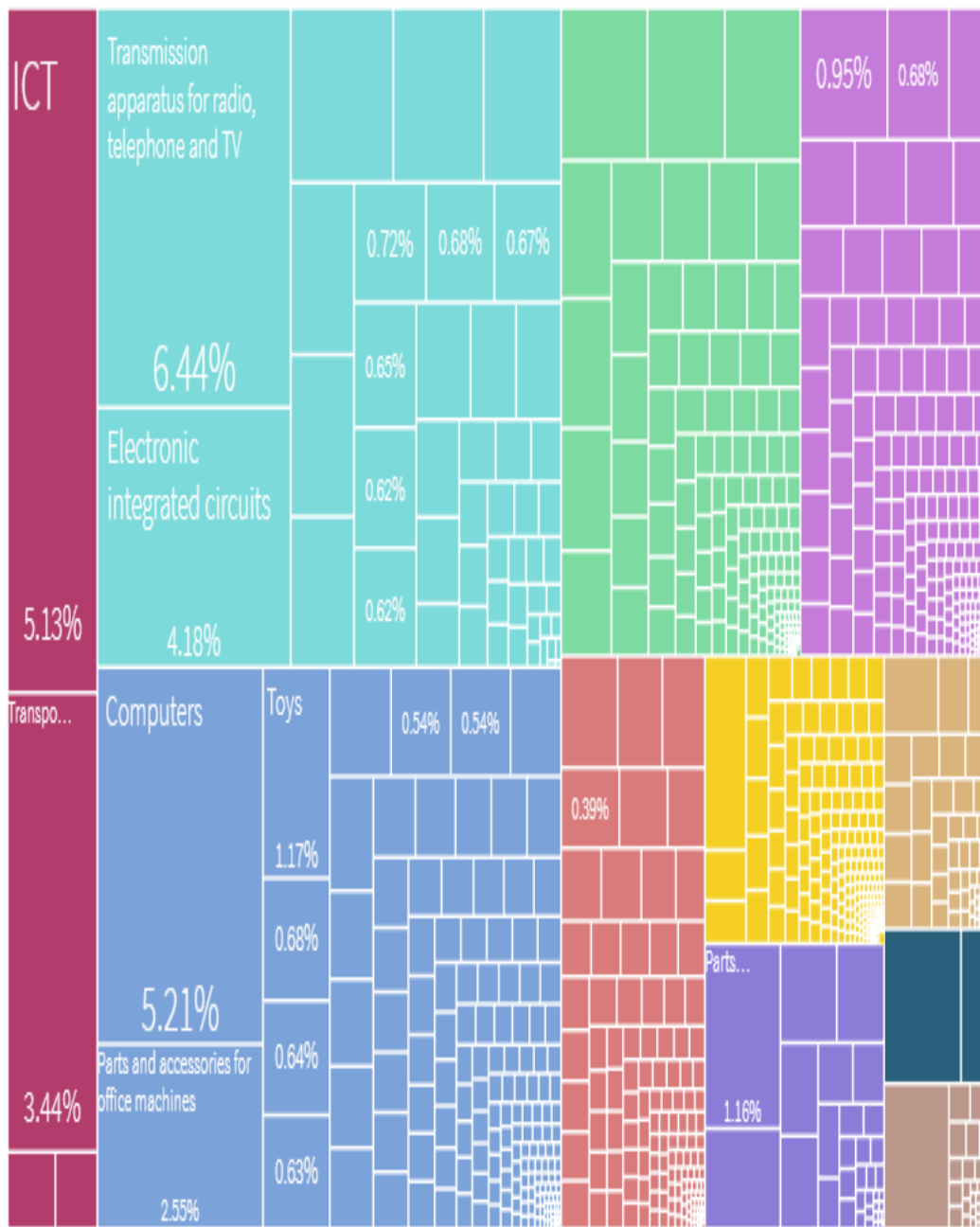


Source: Atlas of Economic Complexity, Harvard University

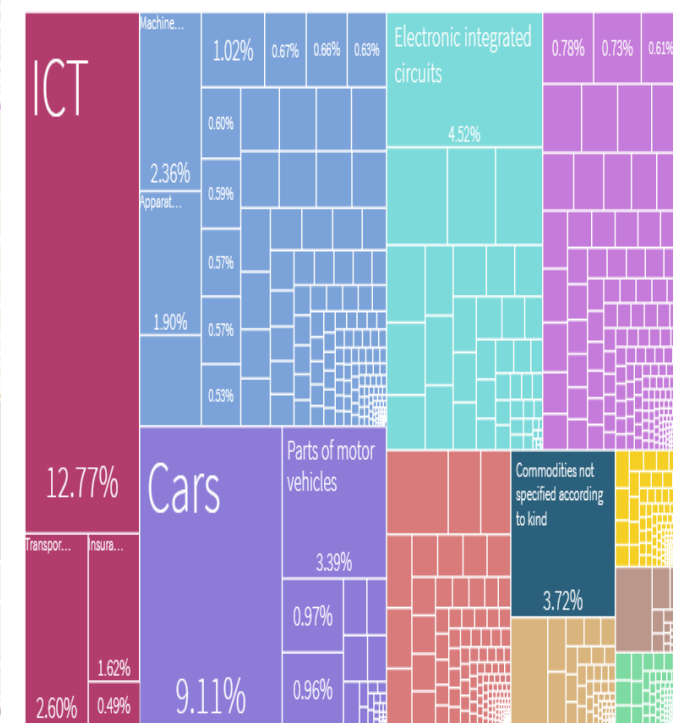
... comparable with Asian export economies ...

Total exports, in billions of dollars

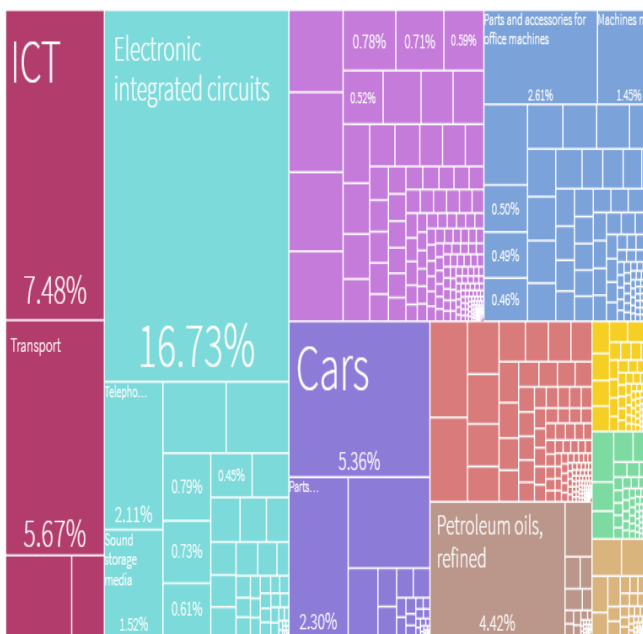
China exports 2021
\$ 3,700 B



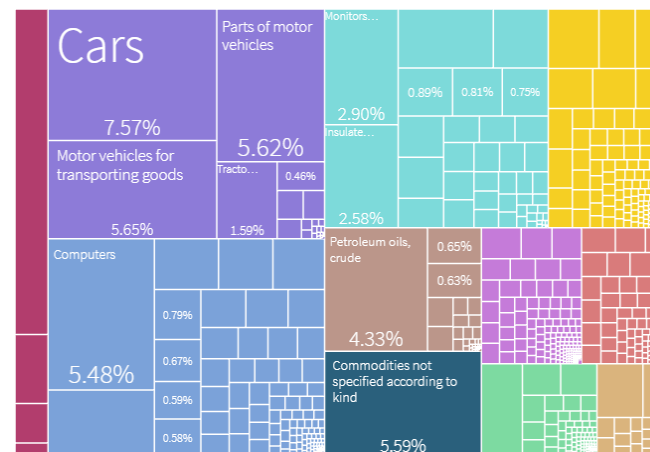
Japan exports 2021
\$ 973 B



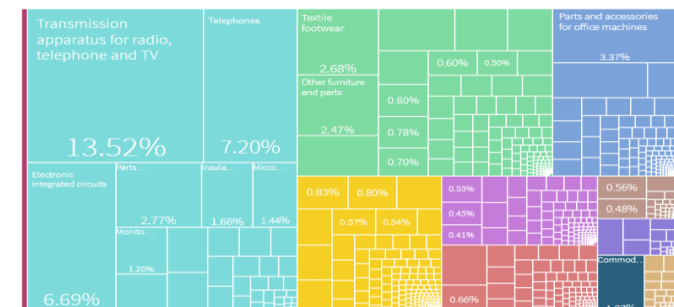
South Korea exports 2021
\$ 803 B



Mexico exports 2021
\$ 537 B



Vietnam exports 2021
\$ 391 B

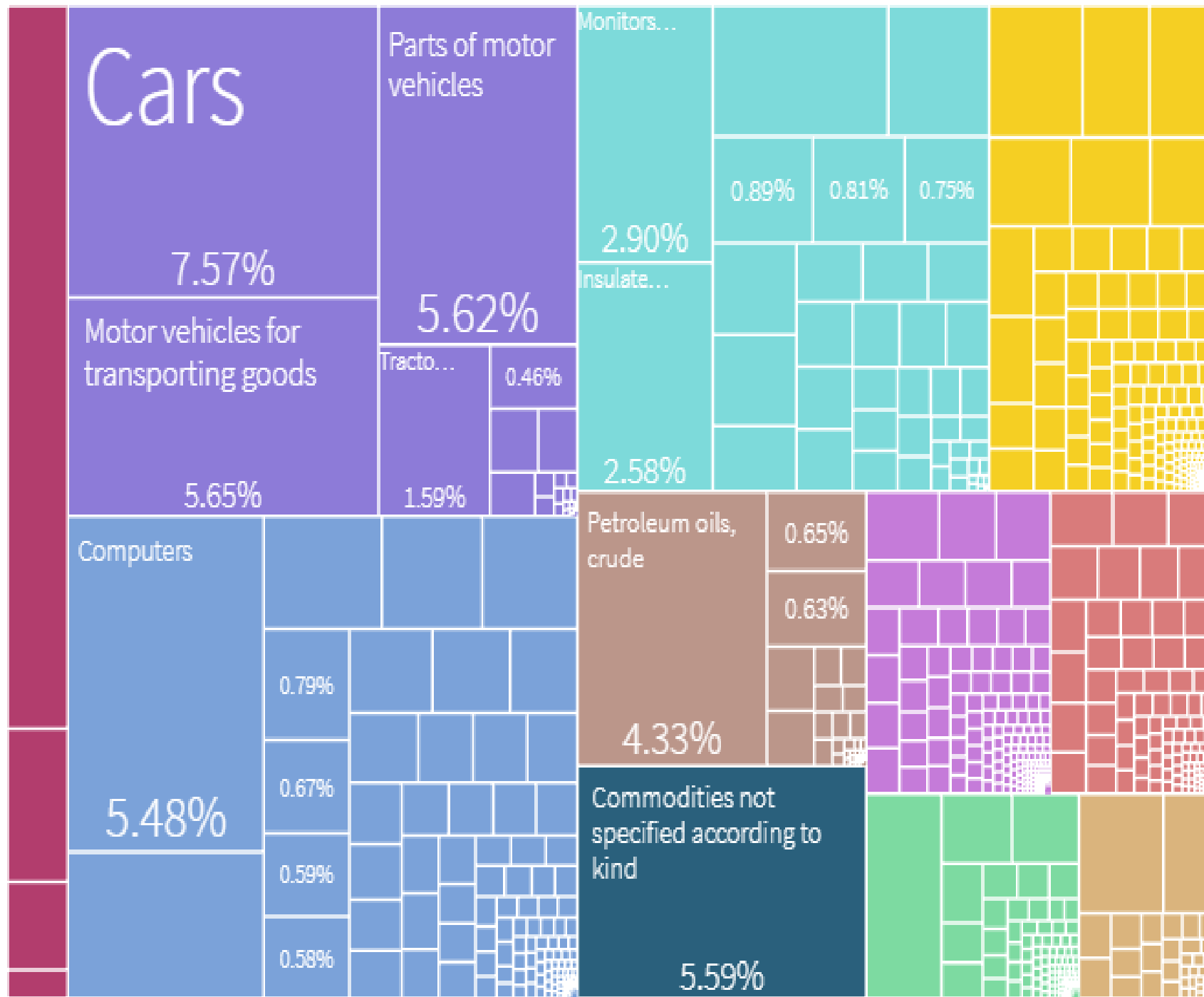


Source: *Atlas of Economic Complexity*, Harvard University

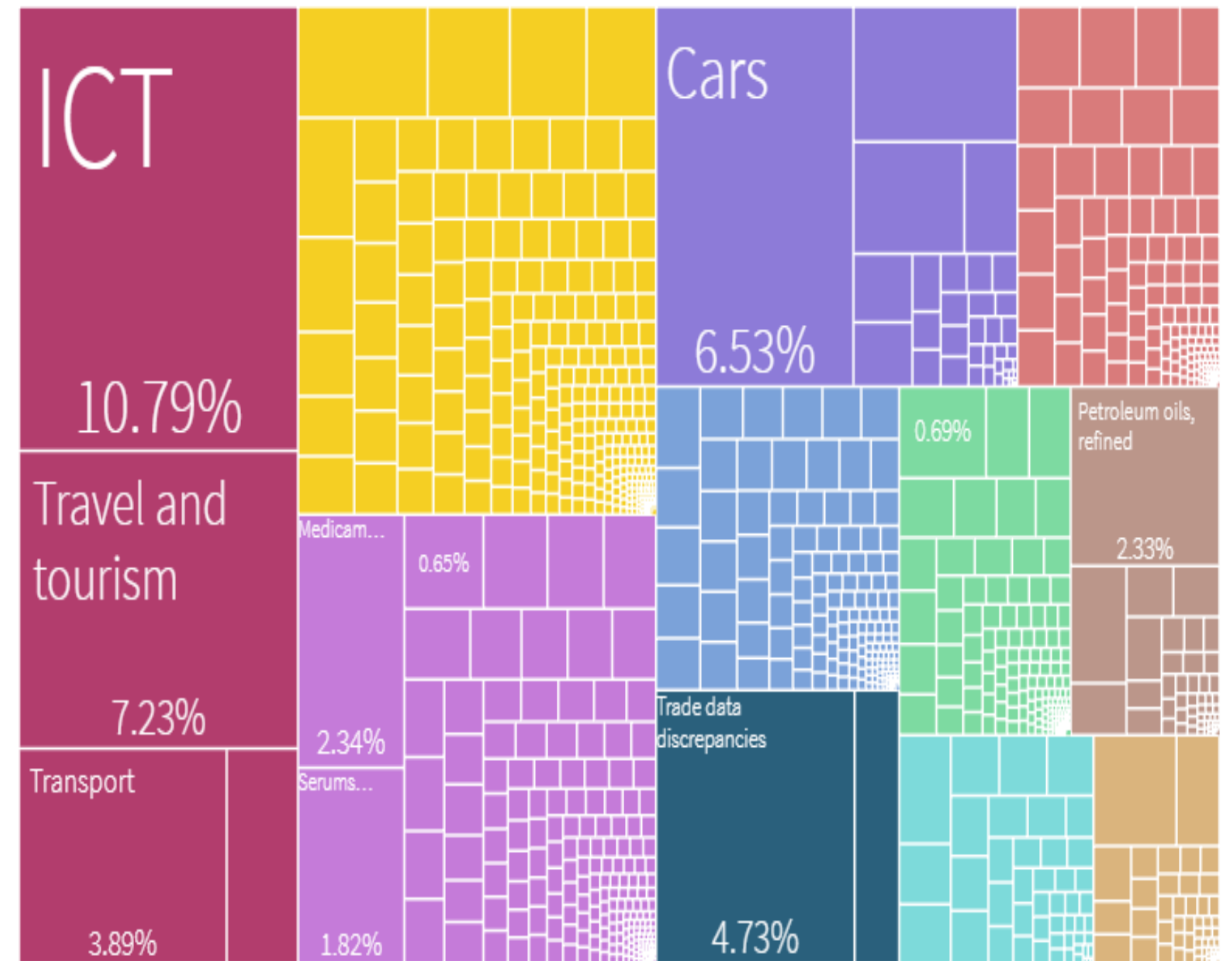
... and as complex as Spain

Total exports, in billions of dollars

Mexico exports 2021
\$ 537 B



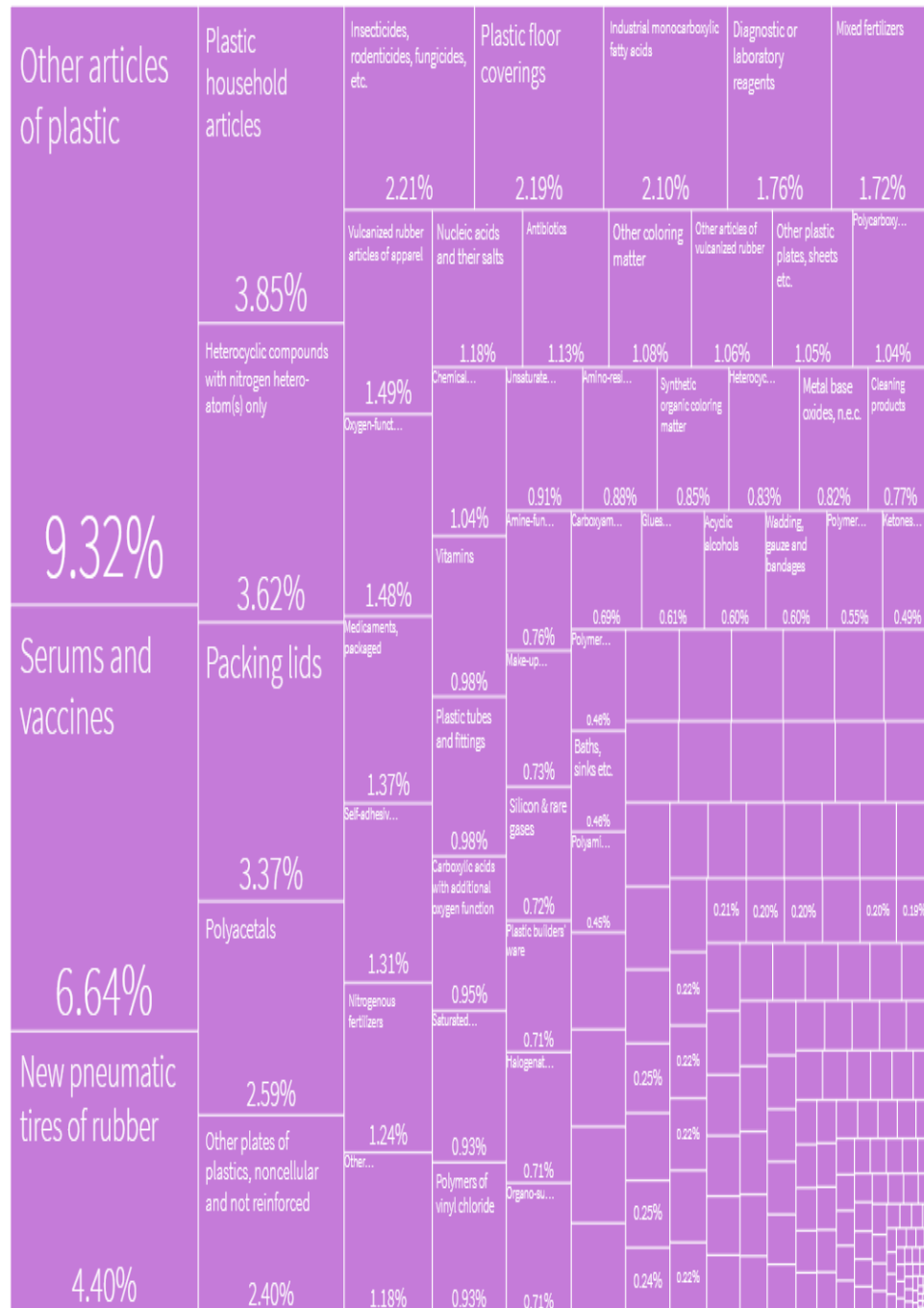
Spain exports 2021
\$ 510 B



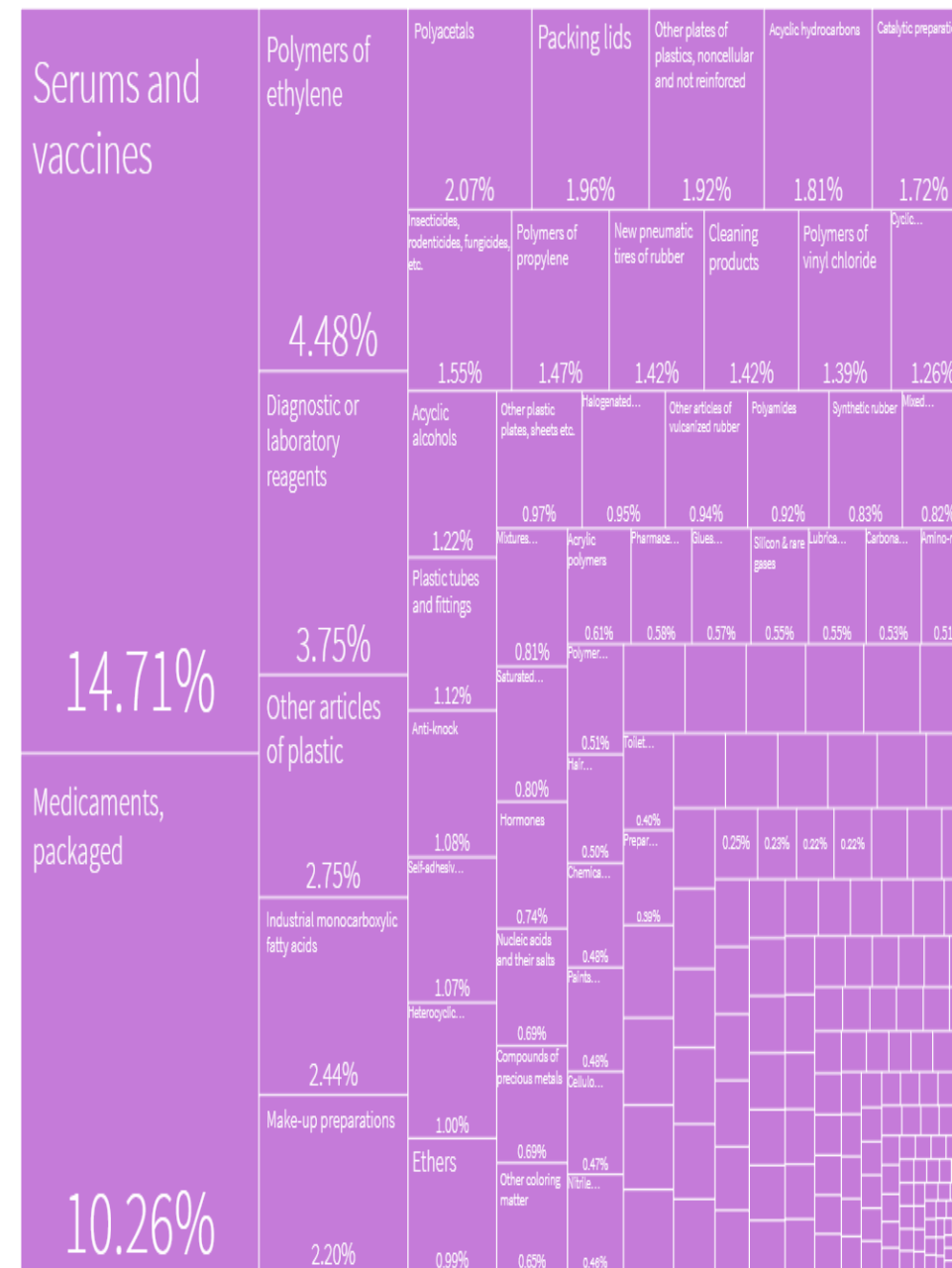
Economic complexity of chemical products

Total exports, in billions of dollars

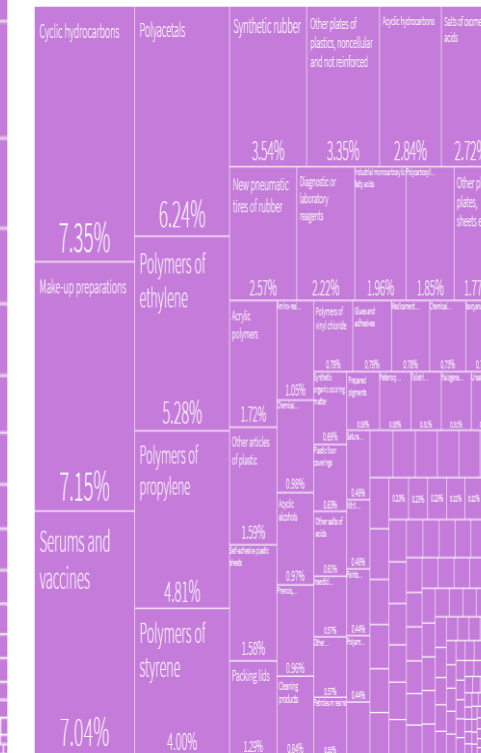
China exports 2021
\$ 379 billions



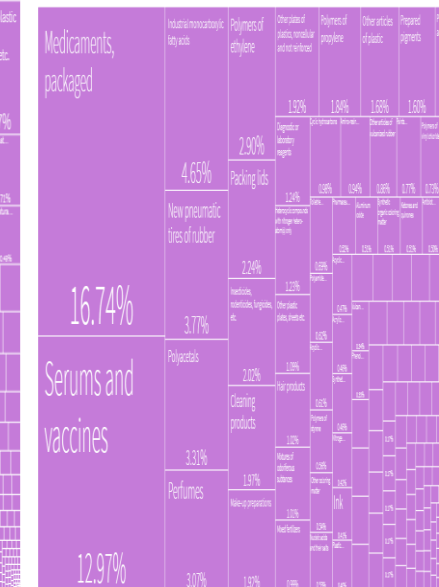
United States exports 2021
\$ 304 billions



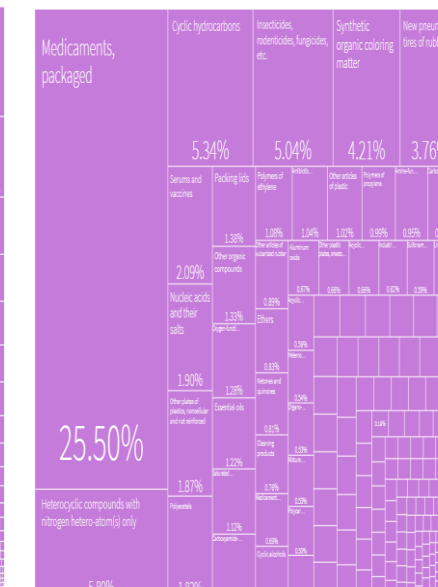
South Korea exports 2021
\$ 119 billions



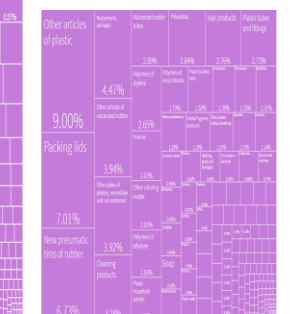
Spain exports 2021
\$ 71.4 billions



India exports 2021
\$ 71.3 billions



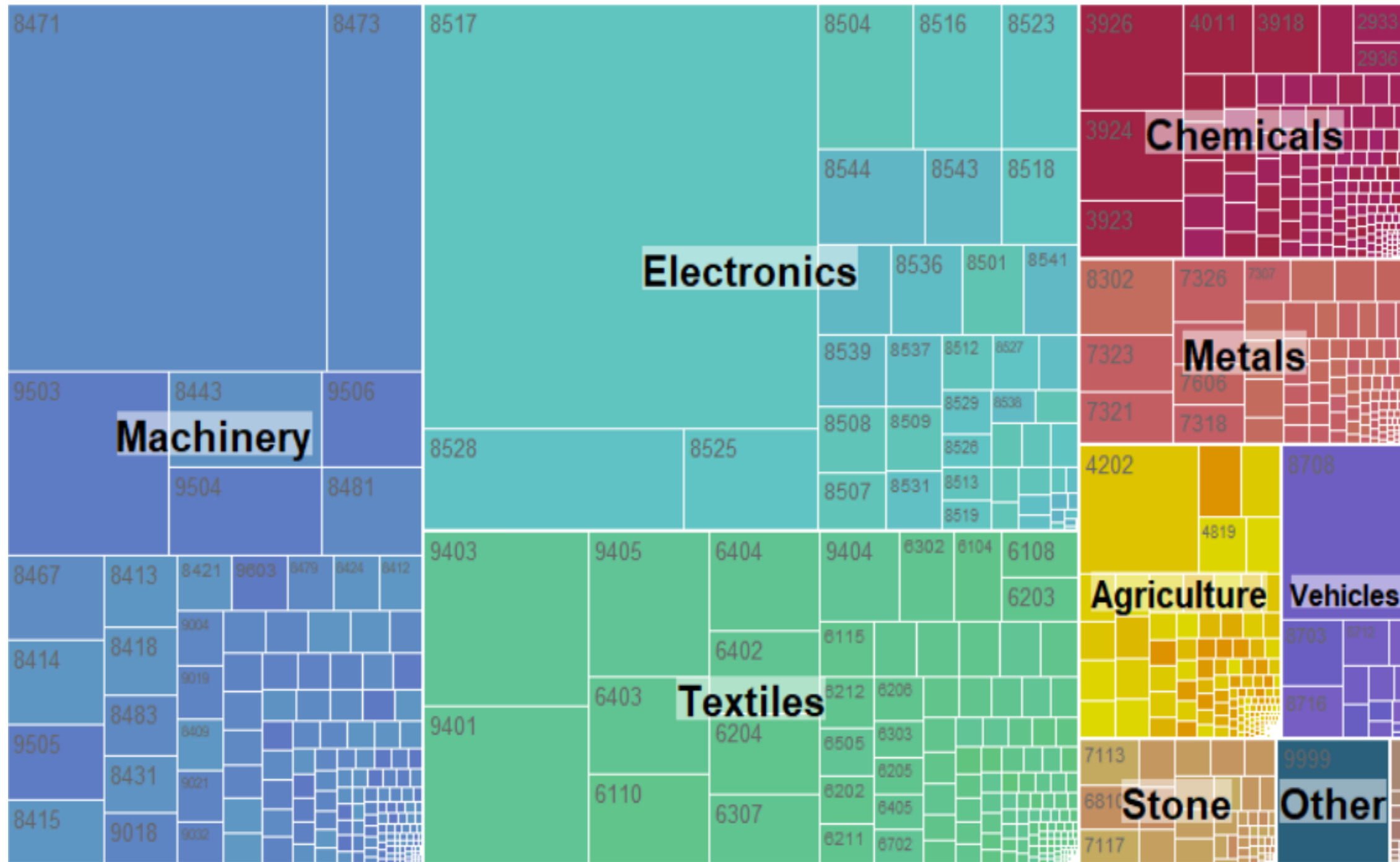
Mexico exports 2021
\$ 24.9 billions



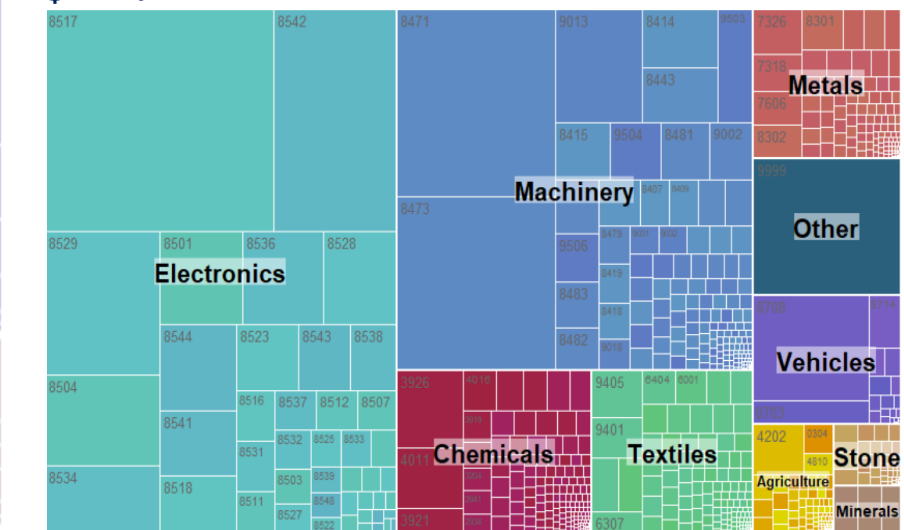
Imports of products from China

2017, Mexico and the United States, imports by 4-digit codes in billion of dollars

**United States imports
\$ 525.7 B**



**Mexico imports
\$ 74.2 B**

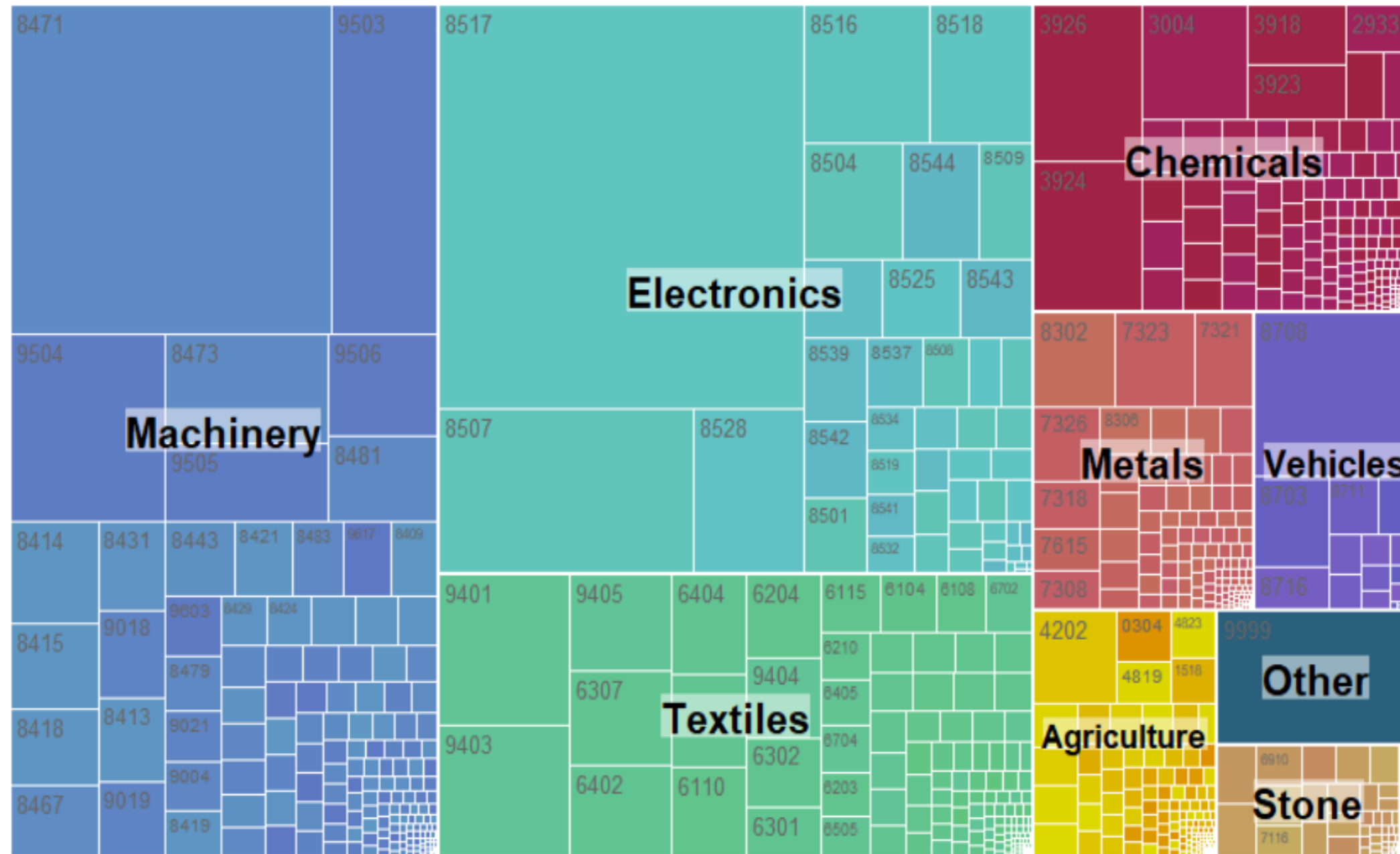


Source: UN Comtrade, classification of the Atlas of Economic Complexity

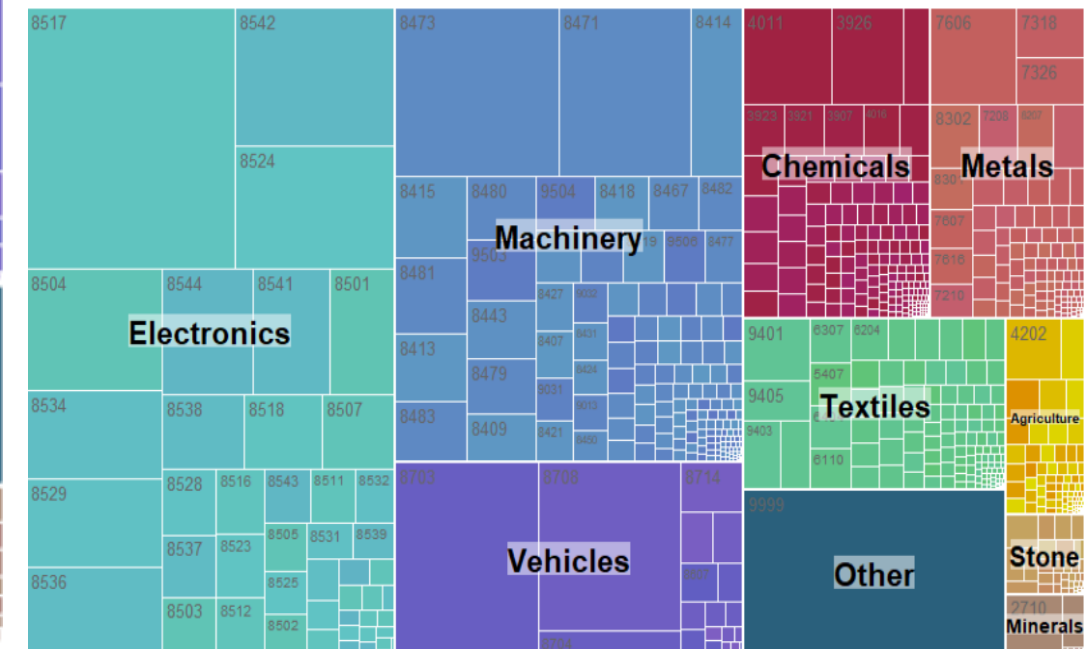
Imports of products from China

2023, Mexico and the United States, imports by 4-digit codes in billion of dollars

**United States imports
\$ 448.0 B**



**Mexico imports
\$ 114.1 B**

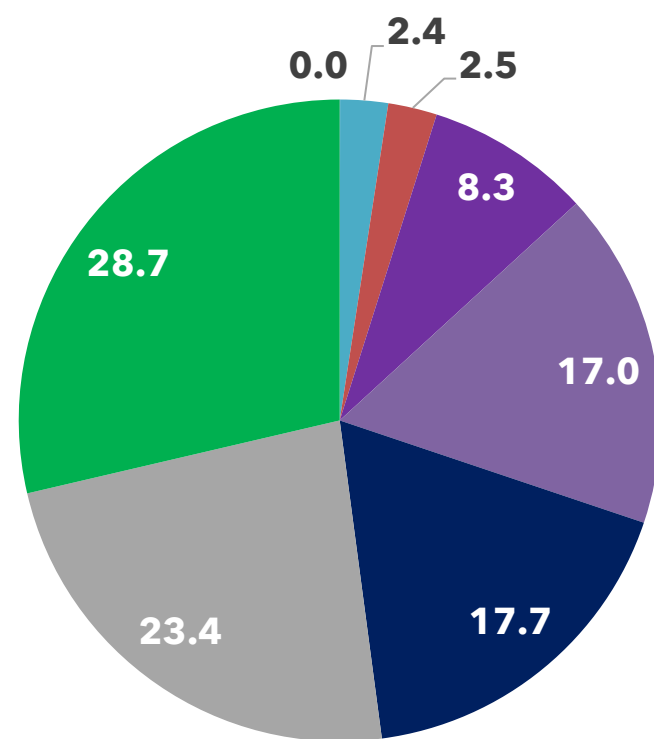


Source: UN Comtrade, classification of the Atlas of Economic Complexity

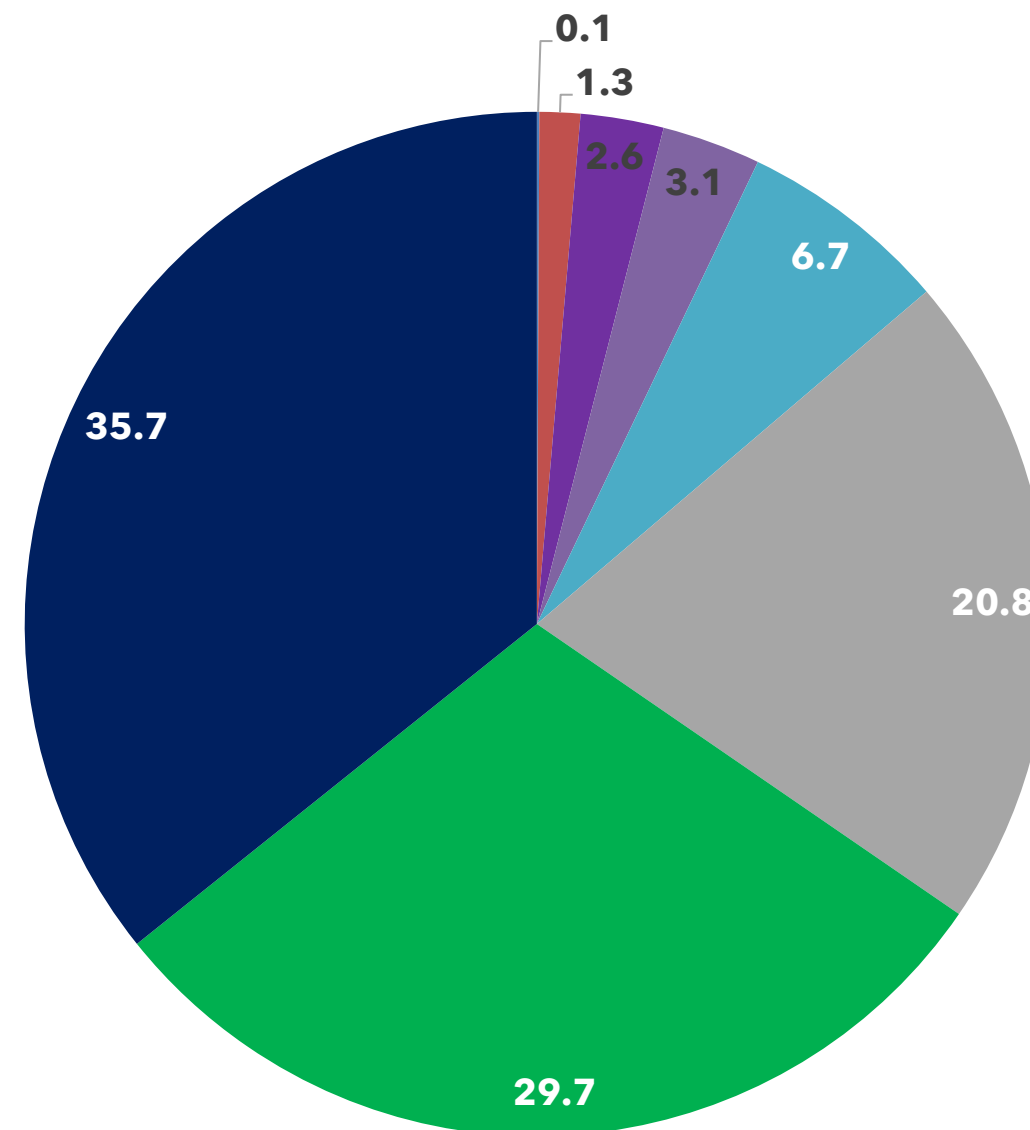
Imports of final goods (22%), intermediate goods (56%) and fixed gross capital formation (22%) products from China to Mexico by sector

2023, percentage of intermediate goods by sector

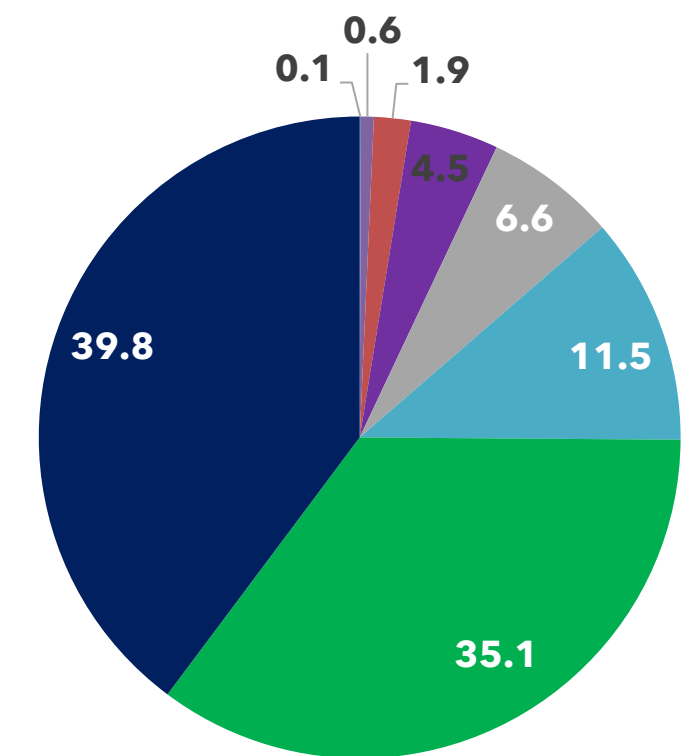
Final goods



Intermediate goods



Fixed gross capital formation



- Government, military and other
- Agriculture, forestry, fishing, food, beverages, tobacco
- Textile, apparel, shoes
- Transport equipment and services, travel, postal services

- Mining, quarrying, refinery, fuels, chemicals, electricity, water, waste treatment
- Health, pharmaceuticals, education, cultural, sport
- Construction, wood, glass, stone, basic metals, housing, electrical appliances, furniture
- ICT, media, computers, business and financial services