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Agriculture Ministry Reports Narrowing of Mexico's Agricultural Trade Deficit

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On Jan. 16, the Agriculture Secretariat (Secretaria de Agricultura y Recursos Hidraulicos, SARH), reported that the trade deficit for Mexico's agricultural sector, including processed products, narrowed to US\$1.8 billion in January- October 1993, compared with a deficit of US\$2.6 billion in the same 10-month period in 1992.

The report, produced by the international affairs division of the SARH, attributed the narrowing of the deficit to increases in exports of unprocessed agricultural products, especially tomatoes, tobacco, live cattle, fresh vegetables, and fresh fruit. Imports of such products as corn, sorghum, and live cattle declined in January-October, although these reductions were somewhat offset by small increases in imports of cottonseed, fresh and dried fruits, and wheat.

Coincidentally, the US Department of Agriculture on Jan. 12 reported that the US increased its exports of fresh vegetables to Mexico to US\$46 million in 1993, up from US\$28 million in 1992. Despite the increase, Mexico retained an overall surplus of US\$758 million in bilateral trade in fresh vegetables. During 1993, Mexico exported the equivalent of US\$804 million worth of vegetables to the US.

Meantime, according to a report published by the Private Sector Economic Studies Center (Centro de Estudios Economicos del Sector Privado, CEESP), the overall trade deficit for Mexico's agricultural and processed foods sector has nearly tripled since President Carlos Salinas de Gortari came to office in 1988. The report, published in mid-January, indicates that the trend was fueled more by an increase in imports than a decline in exports.

The CEESP estimated Mexico's agricultural trade deficit at about US\$2.9 billion for 1992, compared with US\$994 million for 1988. According to the report, Mexico spent some US\$6 billion on imports of agricultural products in 1992, compared with exports of around US\$3.2 billion.

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