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Mexico: Notes On Foreign Investment

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According to International Monetary Fund statistics, despite overall economic stagnation in the 1982-1988 period direct foreign investment in Mexico registered an annual average increase of 14.4%. In 1987, foreign capital accounted for 9% of gross capital formation, and 24% of Mexico's trade surplus. Between 1980 and 1985, direct foreign investment was equivalent to 4.2% of the GDP compared to 23.9% in Argentina, 15.6% in Brazil, and 15.9% in Spain. In the same period, foreign subsidiaries and companies based on foreign capital participation accounted for 32.1% of Mexican manufactures exports. The same proportion in the case of Argentina was 24.9%; Brazil, 37.2%; and Spain, 51.1%. In 1987, exports by Mexican enterprises based on foreign capital investment in whole or in part accounted for 33% of all exports, and 57% of non-oil exports. Between 1983 and 1988, direct foreign investment in Mexico increased from about \$912 million to \$2.242 billion per year. (Basic data from Notimex, 05/16/89)

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