

4-19-1995

Peso Devaluation Results In Surge Of Mexican Beer Exports To U.S. Market

LADB Staff

Follow this and additional works at: <https://digitalrepository.unm.edu/sourcemex>

Recommended Citation

LADB Staff. "Peso Devaluation Results In Surge Of Mexican Beer Exports To U.S. Market." (1995).
<https://digitalrepository.unm.edu/sourcemex/3427>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Peso Devaluation Results In Surge Of Mexican Beer Exports To U.S. Market

by LADB Staff

Category/Department: Mexico

Published: 1995-04-19

The devaluation of the peso in December has resulted in an increase in exports of many consumer items from Mexico to the US, including beer. According to a report released by the US Beer Institute in late March, exports of Mexican beer to the US during January surpassed 17 million liters, an increase of more than 50% from the same month in 1994. In contrast, exports of US beer to Mexico during January barely surpassed 665,000 liters, a decline of 54% from the same month in 1994. The patterns in beer trade between the US and Mexico appeared to mirror changes in overall trade between the two countries.

According to a US Commerce Department report released in late March, the US incurred a trade deficit of US\$863 million with Mexico during January, the first trade imbalance with that country in a decade. Economists attributed the deficit primarily to the devaluation of the peso and the resulting economic crisis in Mexico, which boosted Mexican exports to the US by almost 11%, while at the same time reducing Mexican imports of US products by about 10% (see SourceMex, 03/29/95). Because of the sharp increase in Mexican beer exports to the US, Mexico became the second-most important supplier of imported beer in the US. The US Beer Institute report said 17 million liters of beer exported to the US during January ranked second only to imports from Canada, which totaled 24 million liters that month.

Additionally, the statistics for January appear to indicate that Mexican beer exports to the US will increase for the second consecutive year during 1995. In 1994, Mexican beer exports to the US totaled 230 million liters, an increase of 15.6% from 1993. According to the US Beer Institute, one of the factors that has benefitted Mexico's two largest brewers Cerveceria Modelo and Fomento Economico Mexicano (Femsa) was the formation of joint ventures with US counterparts Anheuser Busch and Miller Brewing Co., which has resulted in increased promotion and distribution capabilities in the US market (see SourceMex, 03/31/93). The US Beer Institute said the most popular Mexican brands in the US are Corona, Corona Light, Dos Equis Lager, Tecate, Carta Blanca, Sol, and Victoria. (Sources: Notimex, 03/28/95; La Jornada, 03/29/95; El Financiero International, 04/03/95)

-- End --