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## Mexico Expands Trade With NAFTA Partners in First Quarter of 1996

by LADB Staff

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According to two separate government reports published in mid-June, Mexico greatly expanded trade relations with the US and Canada during the first quarter of this year. One report, released by the government statistics agency Instituto Nacional de Estadísticas, Geografía e Informática (INEGI), indicated that almost 86% of Mexico's total exports during January-March were shipped to the US and Canada, Mexico's two partners in the North American Free Trade Agreement (NAFTA). In mid-May, the Finance Secretariat (SHCP) had reported Mexico's trade surplus at US\$1.846 billion for the first quarter of the year, the highest ever for a January-March period (see SourceMex, 05/15/96).

During the first quarter, Mexico's global exports reached US\$21.781 billion. Of that total, shipments to the US accounted for US\$18.2 billion, while sales to Canada reached US\$494 million. According to the INEGI report, the US was also the main source of Mexico's imports in January-March, while Canada ranked fourth behind Japan and Germany. Together, the US and Canada accounted for 77.6% of Mexico's total imports in the first quarter. Mexico imported US\$15.84 billion in US products and US\$379 million in Canadian goods.

At the same time, imports from Japan totaled US\$836 million, and those from Germany US\$767 million. The SHCP's report in May said Mexico's total imports in January-March amounted to US\$19.935 billion. In a separate but related report, the Trade Secretariat (SECOFI) said Mexican imports of US products increased by 15.9% in the first quarter compared with the same period in 1995, while Mexican exports to the US market grew by only 14.5%. The situation was similar with Canada. Mexican imports of Canadian products increased by 6.8% from a year ago, while Mexican exports to the Canadian market grew by only 0.3%.

SECOFI also reported a strong increase in trade between Mexico and Chile. The two countries have had a bilateral free trade agreement in place since 1992. Mexican exports to Chile during the first quarter increased by 118% from a year ago. Similarly, imports from the South American country almost quadrupled to US\$213 million, compared with only US\$56 million in January-March 1995. Meanwhile, imports from three other countries with whom Mexico has trade agreements declined from a year ago. Imports from Bolivia fell by 56.6%, and those from Group of Three (G-3) partners Colombia and Venezuela declined by 34.4% and 40.5%, respectively. At the same time, Mexican exports to Venezuela surged by almost 102%. SECOFI did not provide comparisons for exports to Colombia and Bolivia.

Mexico also reduced imports from other key partners in Latin America during the first quarter. For example, imports were down 1.9% from Argentina, 29.6% from Brazil, 85.7% from Paraguay, 20.1% from Ecuador, 38.7% from Peru, and 14.8% from Uruguay. The SECOFI and INEGI reports also noted a surge in trade between Mexico and the Dutch Antilles. According to data from the two government agencies, the Dutch Antilles imported US\$172 million worth of Mexican products

during the first quarter of the year, compared with only US\$1.35 million in January-March of 1995. In fact, Mexico's exports to the Dutch Antilles during the first quarter surpassed exports to Germany and Chile, which totaled US\$160 million and US\$158 million, respectively. The SECOFI report showed that Mexican imports from the European Union (EU) also declined significantly. The greatest declines were in purchases from Spain, Denmark, Greece, and Portugal, more than offsetting an 86% increase in Mexican imports from Ireland. In contrast, Mexican exports to the EU in January-March were virtually unchanged from the same period in 1995. (Sources: La Jornada, 06/13/96; Reforma, 06/17/96)

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