



Latin America:

MEXICO

Population

- Largest, most populated, and economically most developed of the Middle American nations
- Population - more than 110 million
- Also the most populated Spanish speaking country in the world.



Natural Resources



Maquiladoras



Maquiladoras

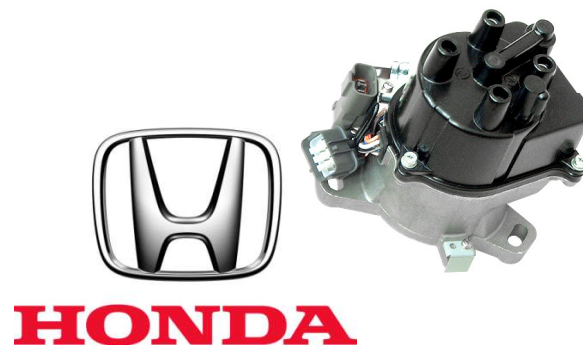
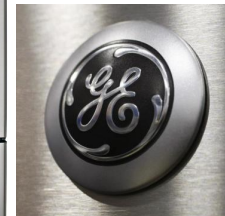
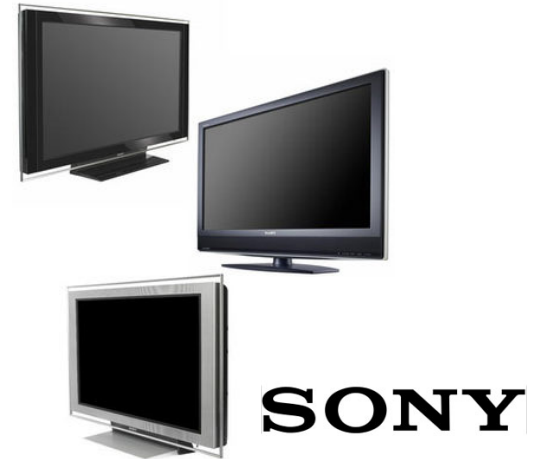
- Modern industrial plants
- Assemble imported, duty-free components/raw materials
- Export the finished products
- Mostly foreign-owned (U.S., Japan)
- 80% of goods re-exported to U.S.
- Today:
 - 4,000 Maquiladoras
 - 1.2 million employees



Maquiladoras

Products

- Electronic equipment
- Electric appliances
- Auto parts
- Toys
- Clothing
- Furniture



Maquiladoras

■ ADVANTAGES

- Mexico gains jobs.
- Foreign owners benefit from cheaper labor costs.



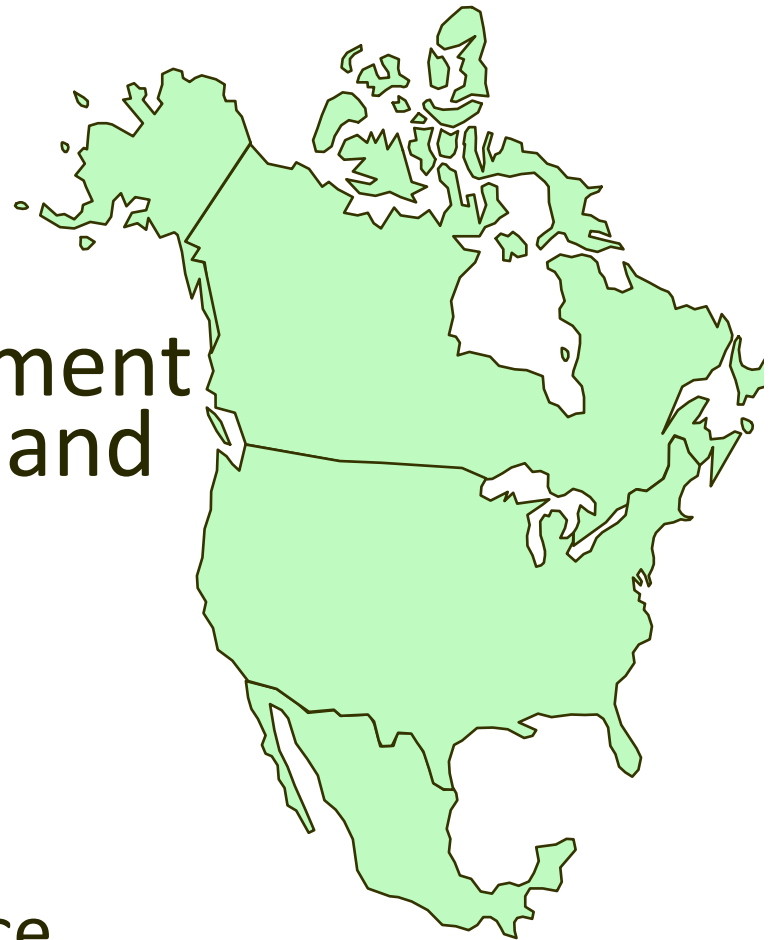
■ EFFECTS

- Regional development
- Development of an international growth corridor between Monterrey and Dallas - Fort Worth



North America Free Trade Agreement (NAFTA)

- Effective 1 January 1994
- Established a trade agreement between Mexico, Canada and the US, which:
 - Reduced and regulated trade tariffs, barriers, and quotas between members
 - Standardized finance & service exchanges



Mexico and NAFTA

- It promises a higher standard of living.
- NAFTA creates more jobs for Mexicans as US companies begin to invest more heavily in the Mexican market.
- Mexican exporters increase their sales to the US and Canada.

U.S. Trade with Canada & Mexico

- Canada remains as the United States' largest export market.
- Since 1977, Mexico has moved into second place (displacing Japan).
- 85% of all Mexican exports now go to the United States.
- 75% of Mexico's imports originate in the United States.