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Market Intelligence

Understanding the Mexico business climate amid spiraling cross-border growth

#Inland24

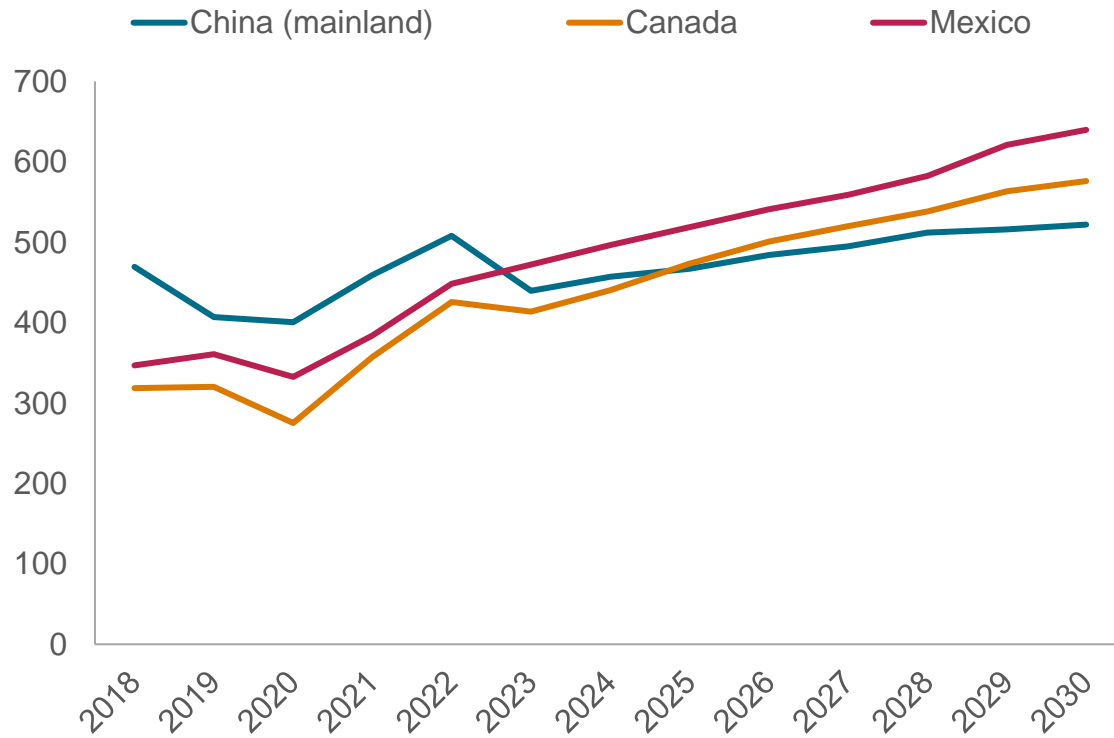
José E. Sevilla-Macip
Senior analyst, Latin America

October 02, 2024



Mexico to consolidate as the US's top supplier in the foreseeable future

US imports from its top trading partners (US\$ billion), 2018-2030



As of Sept. 20, 2024.

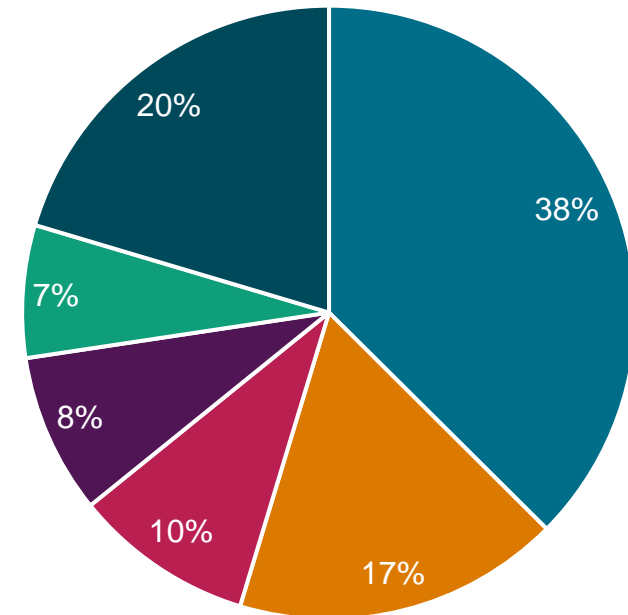
Historical data up to 2023; forecast from 2024 onwards.

Source: S&P Global Market Intelligence.

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Mexican exports to the US by land border crossing (%), H1 2024

- Nuevo Laredo/Laredo
- Juárez/EI Paso
- Tijuana/San Diego
- Colombia/Laredo
- Piedras Negras/Eagle Pass
- Rest of LBCs



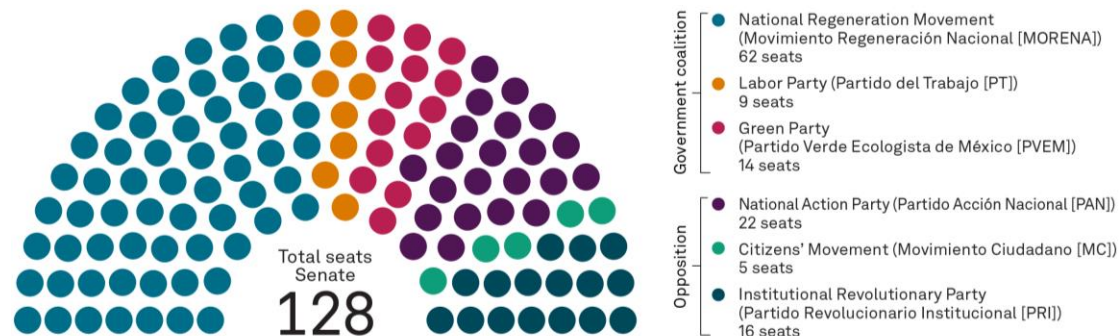
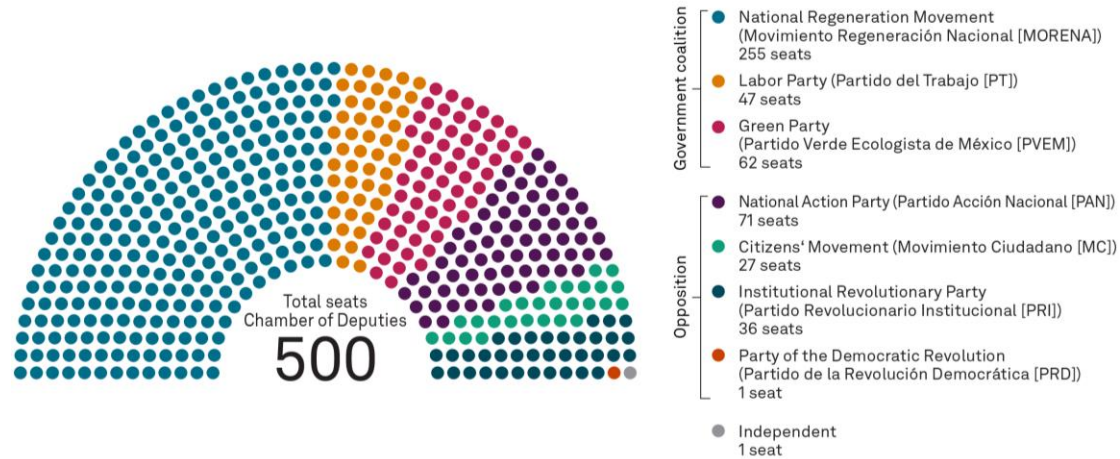
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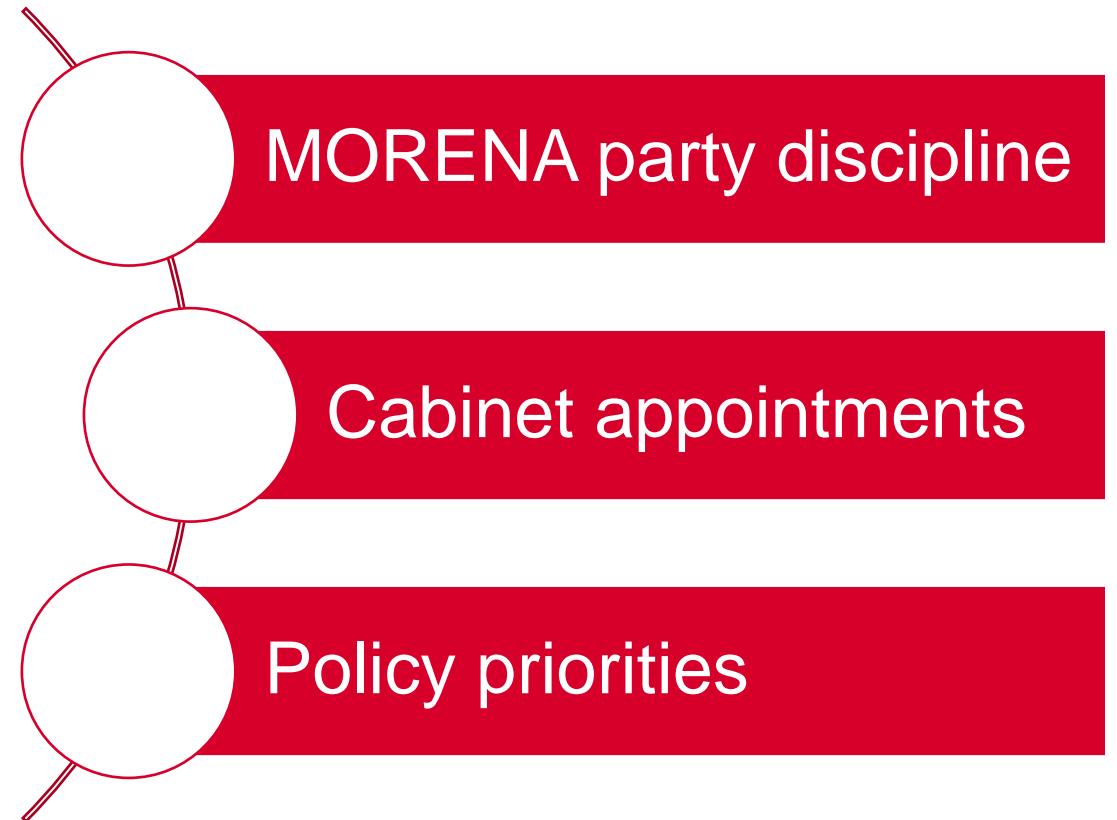
Sheinbaum to be in the most powerful position of any Mexican president during more than three decades in terms of representation in the legislature

Composition of the Mexican Congress inaugurated in Sept. 1, 2024



As of Sept. 3, 2024.
Sources: National Electoral Institute (Instituto Nacional Electoral [INE]); Chamber of Deputies; Senate; S&P Global Market Intelligence.
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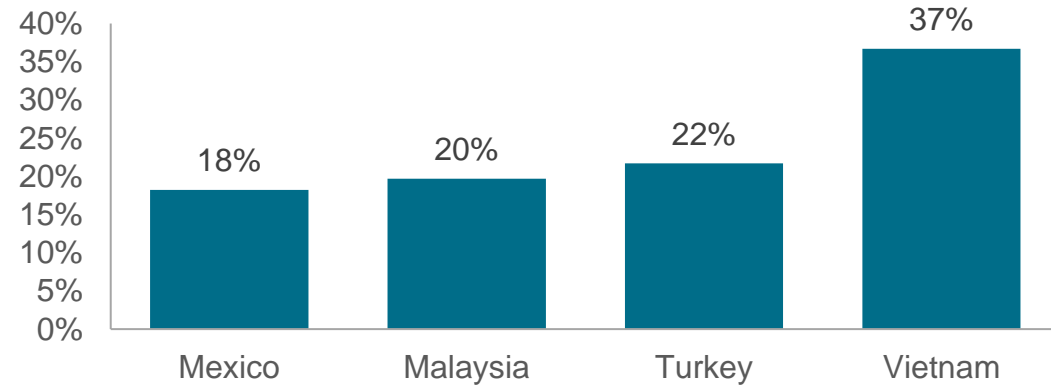
Relation between President Sheinbaum and AMLO: indicators to watch



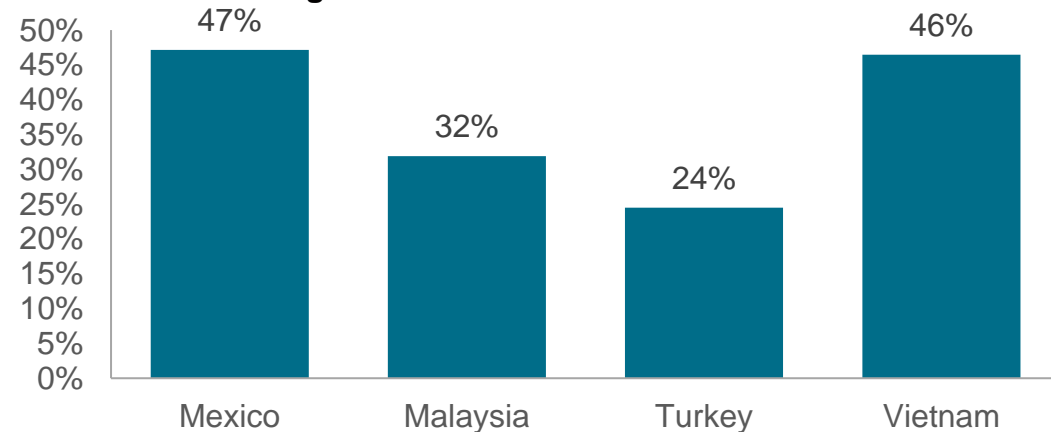
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S&P Global PMI® nearshoring survey shows sustained positive expectations in Mexico

Proportion of companies stating that total demand improved over the past 12 months due to reshoring

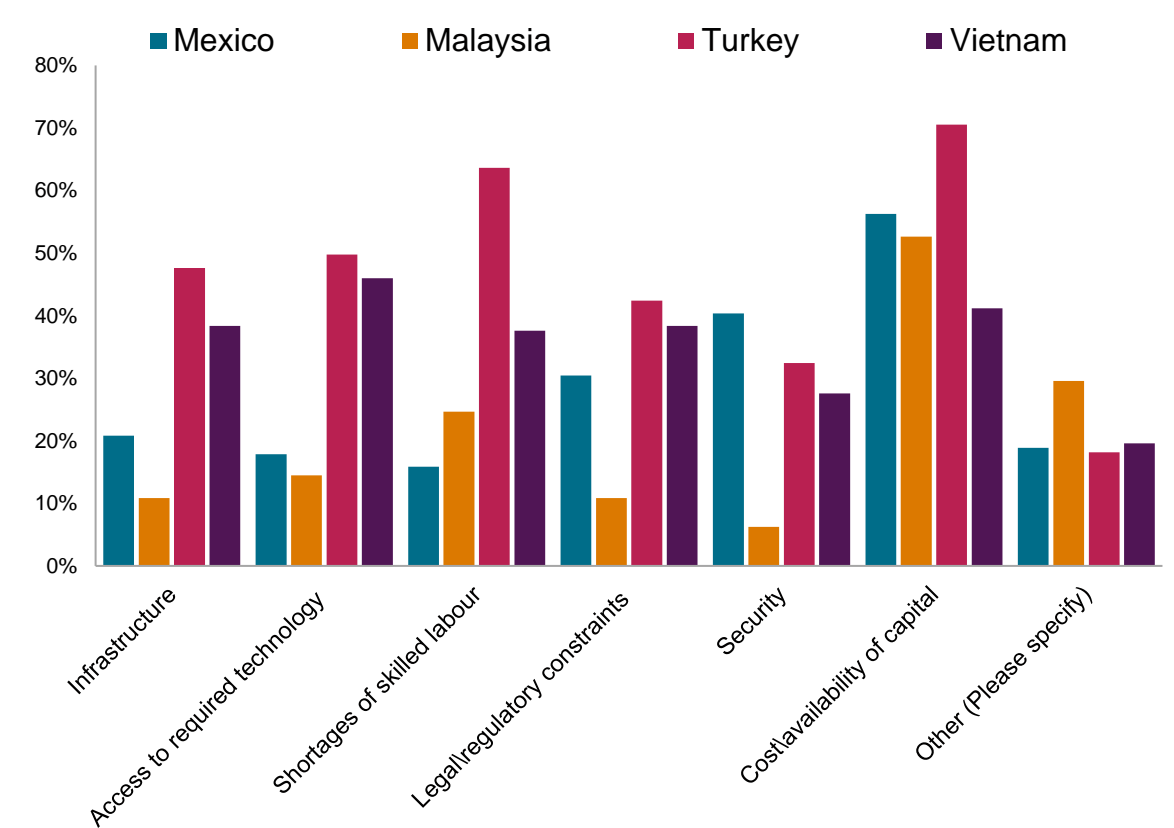


Proportion of firms expecting growth opportunities in year ahead as a result of reshoring



As of Sept. 20, 2024.
Source: S&P Global Market Intelligence.
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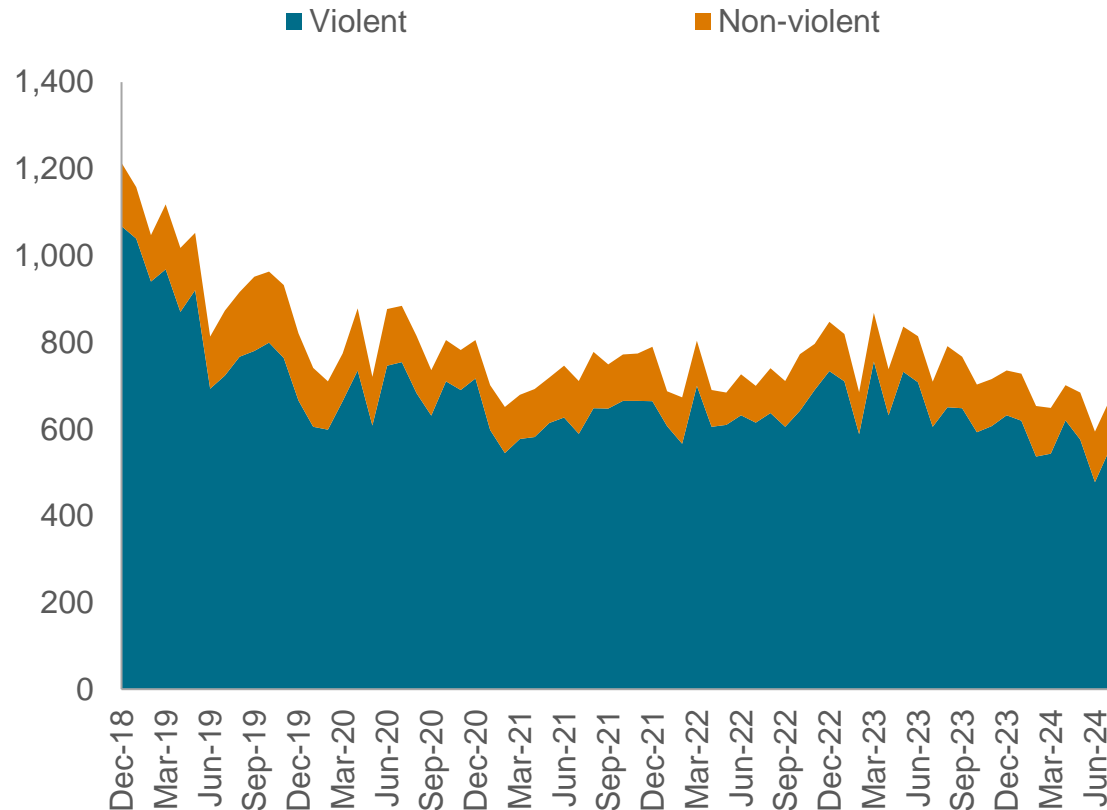
Challenges preventing companies from capitalizing fully on reshoring growth opportunities over next 12 months



As of Sept. 20, 2024.
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Prevalence of extortion, cargo theft, will continue to hinder attractiveness of central and southern Mexico to export-oriented investments

Reported cargo theft incidents in Mexico, December 2018 - July 2024

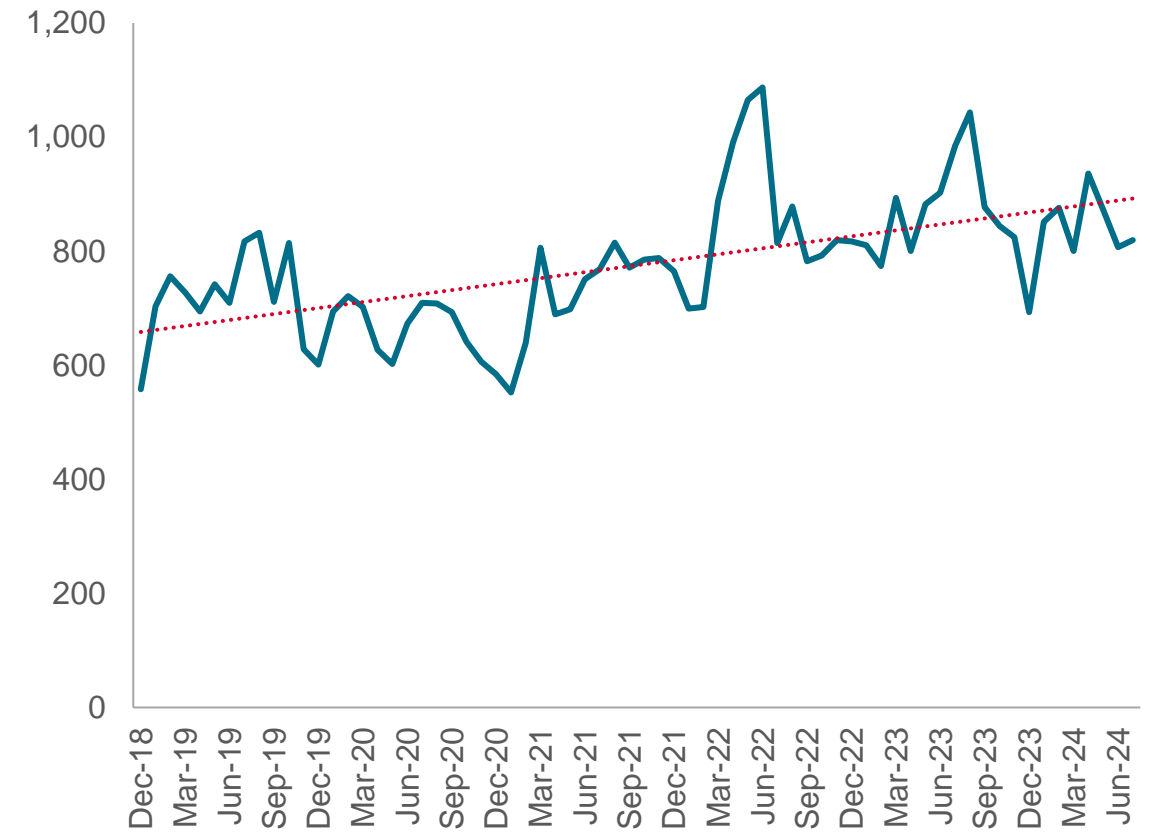


As of Sept. 20, 2024.

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Reported extortion incidents in Mexico, December 2018 - July 2024



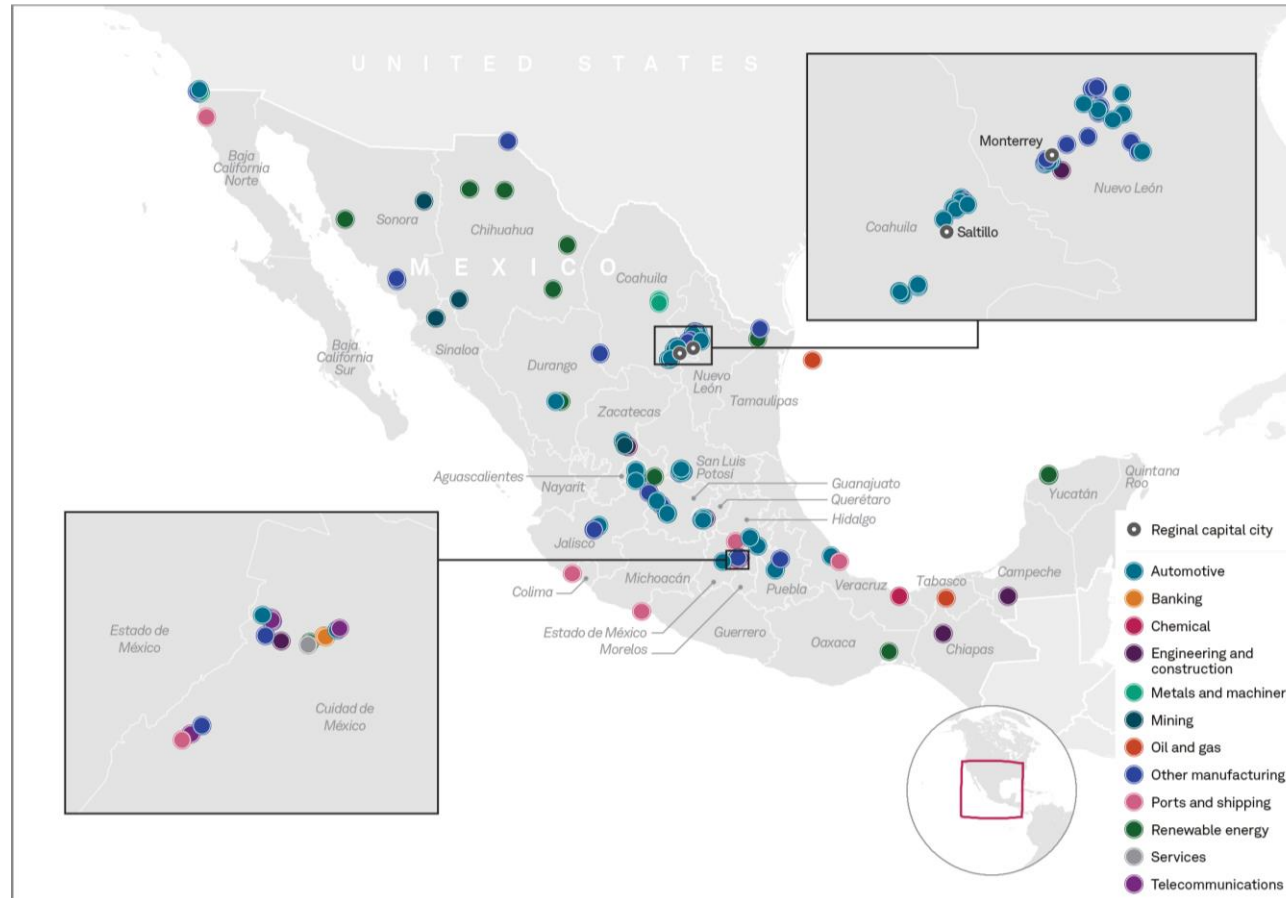
As of Sept. 20, 2024.

Source: SESNSP

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Increased presence of Chinese companies in Mexico's manufacturing platform to be a headline issue ahead of USMCA review in 2026

Presence of Chinese firms in Mexico

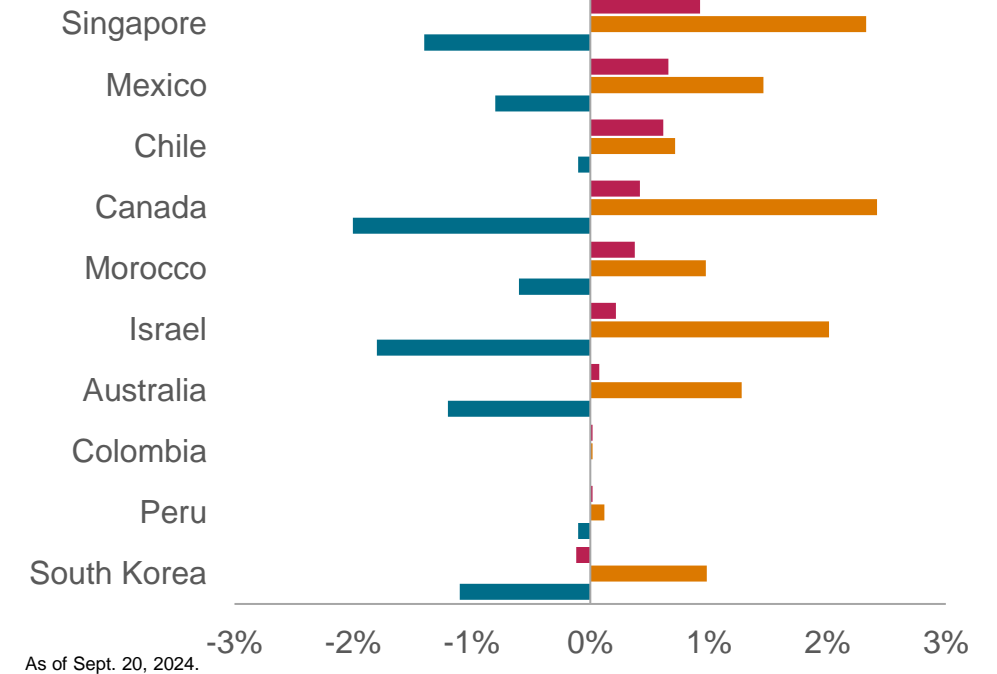


Data compiled Sept. 20, 2024.
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Effects of hypothetical US import tariffs on countries exporting to the US under an FTA

Real GDP (LCU) - Deviation from baseline in 2034-Q4

- Total effect
- Trade redirection (gain)
- Lower demand from trade partners (loss)



As of Sept. 20, 2024.
 Source: S&P Global Market Intelligence.

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