

SERVICIOS AL
EXPORTADOR

DEPARTAMENTO DE
INTELIGENCIA DE MERCADOS

Trade Opportunities

Mexico



Table of Contents

- 1. Background Data 3
- 2. Macroeconomic Indicators 3
- 3. Exports Peru - Mexico (FOB US\$ million) 3
- 4. Preferences Obtained in Trade Agreements 3
- 5. Trade Opportunities..... 4
- 6. Consumer Trends..... 5
- 7. OCEX 6

Mexico

1. Background Data

Official Name	United Mexican States
Capital	Mexico City
Language	Spanish and native languages
Currency	Mexican Peso
Population (2016)	120 million

Source: World FactBook. Prepared by: Promperú.

2. Macroeconomic Indicators

Year	2014	2015	2016*
GDP Growth (%)	2.1%	2.3%	2.8%
Per Capita GDP (US\$)	17,950	18,335	18,857
Inflation Rate (%)	4.0%	2.8%	3.0%

Source: IMF. Prepared by: Promperú. Note: *Projected

3. Exports Peru - Mexico (FOB US\$ million)

Sector	2011	2012	2013	2014	2015	Var. % 15/14	TCP % 15/11
Traditional	234	173	252	507	281	-44.6	4.7
Nontraditional	219	244	259	229	265	15.4	4.9
Total	453	417	511	737	546	-25.9	4.8

Source: SUNAT. Prepared by: Promperú.

4. Preferences Obtained in Trade Agreements

- Trade Integration Agreement Peru - Mexico (Effective): Under the ACE N° 08, put into operation in February 2012, Mexico offers preferential access to over 12 thousand products. In this manner, products of high interest to Peru, such as prawns, flowers, preserved fish, biscuits, sweets and wines enter the Mexican market free of tariff payment. Likewise, some Peruvian exports in the textile and apparel category, whose applicable rate was 15% before the agreement came into effect, may enter Mexico duty-free.

- Additional Protocol to the Framework Agreement of the Pacific Alliance (About to enter into force): Peru and Mexico, along with Colombia and Chile, signed the Additional Protocol to the Framework Agreement in February 2014 which aims to deepen the bilateral trade agreements between the four member countries of the Pacific Alliance. It also seeks to generate greater opportunities for economic operators, especially SMEs, and promote regional value chains, in order that the four countries can be more competitive and gain access into other international markets, especially Asia - Pacific.

- Trans-Pacific Partnership Agreement (TPP) (About to become effective): Peru and Mexico are signatory parties to the Trans-Pacific Partnership Agreement (TPP), which will allow preferential relations between twelve economies of the Pacific Rim. In this context, products of interest to Peru that are excluded in the ACE N ° 08, such as asparagus, onions, cocoa powder and clothing of all kinds, will have preferential access to this important market.

5. Trade Opportunities¹

Foods						
RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru - TPP	Participation Suppliers
1	'200290	Tomato, prepared and preserved	Star	69	0%	USA - 95% Chile - 4%
2	'030617	Shrimp and prawns, frozen, other	Star	61	0%	Honduras - 43% India - 22%
3	'160414	Tunas, skipjack and bonito preserved, whole or in pieces	Star	44	10%	China - 62% Indonesia - 18%
4	'160413	Sardines, preserved, whole or in pieces	Star	40	10%	Ecuador - 92% China - 2%
5	'070320	Garlic, fresh or cooled	Star	34	0%	Chile - 65% Argentina - 16%
6	'071290	Legumes and vegetables, including mixed vegetables	Star	22	0% - 10%	USA - 81% Canada - 5%
7	'200989	Fruit juice, any	Promising	7	0%	USA - 91% Israel - 2%
8	'030729	Scallops, frozen, dried, salted or in brine	Promising	7	0%	China - 90% USA - 9%
9	'030799	Shellfish and invertebrates, dried, salted or in brine	Promising	6	10%	Peru - 48% Chile - 42%
10	'200939	Fruit juices, sour and citric, unfermented	Promising	3	0%	USA - 55% Argentina - 31%

Source: Trademap. Prepared by: Promperú.

¹Through ECLAC (Economic Commission for Latin America) methodology, it has been possible to identify opportunities for products classified into two main groups: "Star" and "Promising". The "Star" products are those that have shown strong dynamism in their respective sales volumes during the last five years and have a significant share of total imports. In other words, they are the products that have the greatest potential for success in the destination market today. On the other hand, the "Promising" products are those whose imports are growing at above-average rates but do not yet have a significant share of the total sales volume. These products are the ones with the best prospects for success in the future should the trend continue, and could be exploited by domestic exporters.

Clothing and Decorations						
RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru - TPP	Participation Suppliers
1	'611030	Synthetic fiber sweaters, waistcoats, cardigans and similar	Star	209	0%	China - 40% Bangladesh - 15%
2	'611020	Cotton sweaters, waistcoats, cardigans and similar	Star	119	0%	China - 40% Bangladesh - 17%
3	'620640	Synthetic or artificial fiber shirts, blouses, and shirt-blouses	Star	94	0%	China - 36% India - 20%
4	'610510	Cotton shirts, for men and boys	Star	77	0%	India - 22% China - 19%
5	'611120	Knitted cotton garments and accessories, for babies	Star	52	0%	China - 38% Thailand - 16%
6	'610520	Knitted synthetic or artificial fiber shirts, for men or boys	Promising	31	0%	Vietnam - 46% China - 13%
7	'630231	Cotton bedding, linen	Promising	28	0%	India - 45% China - 18%
8	'610822	Knitted synthetic or artificial fiber panties	Promising	20	0%	China - 60% Colombia - 11%
9	'621111	Suits and swimwear, for men and boys	Promising	14	0%	China - 43% Vietnam - 15%
10	'610442	Cotton dresses, for women and girls	Promising	14	0%	China - 31% India - 15%

Source: Trademap. Prepared by: Promperú.

Miscellaneous Manufactured Articles						
RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru - TPP	Participation Suppliers
1	'392690	Plastic manufactures, miscellaneous	Star	3,889	0%	USA - 60% China - 14%
2	'850440	Converters, static	Star	2,045	0%	China - 53% USA - 18%
3	'870830	Motor vehicle parts and accessories, brakes and power-assisted brakes	Star	1,852	0%	USA - 59% China - 14%
4	'401110	Rubber tires for tourism automobiles, new	Star	1,334	0%	USA - 36% China - 20%
5	'731815	Other screws and bolts, including their nuts and washers	Star	1,317	5% - 7.5%	USA - 54% Taiwan - 13%
6	'841490	Parts of pumps and air compressors, fans and bells	Star	990	0%	USA - 46% China - 25%

7	'401699	Vulcanized rubber manufactures without hardening, other	Star	719	0% - 7.5%	USA - 46% China - 15%
8	'848340	Gears and friction wheels, other than simple cogwheels	Star	687	0%	USA - 42% Japan - 18%
9	'392390	Plastic articles, for conveyance or packaging	Star	490	10%	USA - 85% China - 4%
10	'841370	Centrifugal pumps, other	Promising	263	0%	USA - 45% China - 22%

Source: Trademap. Prepared by: Promperú.

6. Consumer Trends

- ✓ THE DEMOGRAPHIC FUTURE. In 2030, the population of Mexico will reach 148 million inhabitants, which means an increase of 16.6% with respect to 2015. Likewise, the age group that will show the greatest growth will be the one made up of the elderly between 70 and 79 years of age, whose population will double by 2030, and which offers important opportunities for healthful products and vitamin supplements, as well as for health and tourism services.
- ✓ OPPORTUNITIES FOR FISHERY PRODUCTS. Although Mexico has a relatively low per-capita consumption of fish and shellfish compared to other countries in Latin America, of approximately 6 kg, it is expected that sales of these products will increase at an annual average of 2% until 2019 as a direct result of the increased investment in communication and awareness campaigns by CONAPESCA.
- ✓ FRUITS ARE BECOMING PART OF THE MEXICAN DIET. Fresh fruit sales, by volume, will grow by 9.8% between 2014 and 2019 as a result of Government measures to combat obesity, among which increased taxes for unhealthy processed foods and soft drinks are noteworthy. In addition, products such as strawberries, blueberries, lemons and grapes are expected to show a remarkable dynamism.
- ✓ THE SNACK FASHION. The rapid growth in retailers oriented towards convenience and the rise in busier life styles has meant that Mexicans are opting for alternatives with greater ease of consumption, which explains the success enjoyed by healthy snacks such as energy bars, dried fruit and Greek yogurt.
- ✓ PRESERVES ARE BECOMING POPULAR. Preserved fruits and vegetables have begun to be more popular among Mexican consumers because they combine two key factors such as convenience and health. This has been translated into an average annual increase of 6.4% in category sales between 2010 and 2015. In addition, it should be noted that although prices for processed fruits are slightly higher than those of their fresh presentations, consumers tend to prefer the former because their practicality in consumption and longer shelf life.
- ✓ MILLENNIALS BOOST FASHION SALES. Although 2015 was a difficult year for the Mexican economy, the millennials have boosted sales of clothing and accessories because of their high level of disposable income and their greater exposure to the advertising campaigns of the major global brands operating in the country.

7. OCEX

Peruvian Trade Office Mexico City - Advisor	Soledad Campos Mendoza de Parry
Address	Paseo de la Reforma 342 – Colonia Juárez, México DF
E-Mail	scampos@mincetur.gob.pe