



U.S. Embassy—Mexico City Auto Industry Factsheet

Mexico is the 8th largest automaker and the 4th largest exporter.

Important Facts:

- Mexico is the 8th largest automaker worldwide, same ranking as last year's.
- The United States continues to be the main destination for Mexico's car exports, with around 68.1%.
- In 2012 Mexico became the fifth largest worldwide exporter.

The automobile industry represents approximately 3.6% of Mexico's GDP, 14% of manufacturing output and 23% of total exports. Mexico exports 82.9% of its total vehicle production. It also generates 30 billion dollars in revenue, representing 6% of Foreign Direct Investment (FDI), and more than 550,000 direct and indirect jobs.

Mexico is the world's eighth largest automotive producer. Production increased by 12.01% in 2012 (see table below), as compared with the previous year. The United States continues to be the main destination for Mexico's car exports, with around 68.1% of the total (though total exports to the U.S. are still down following the global financial crisis). Mexico has been actively working to diversify its markets. As a result, in the first six months of 2012, auto exports to the United States rose 11.4%, compared to the 145.4% growth registered in car sales to Africa, 40.7% to Latin America, and 33% to Asia.

Mexico's automakers produced a record 3 million cars in 2012 (see table below on your left), a 12% increase over 2011. On the other side, auto exports in 2012 also hit an all-time high of 2.36 million, a 9.9% increase over the prior year, according to data by the Mexican Auto Industry Association (AMIA).

In December 2012, Mexico's auto exports were affected by import quotas negotiated with Brazil earlier that year after the South American nation threatened to end its auto free-trade agreement with Mexico, unless some limits were put in place. A similar deal was negotiated with Argentina. For all of 2012, exports to Latin America rose 15% compared with 2011, although they fell sharply in December of 2012.

Mexican vehicle exports to Europe

Ranking	Country	Total Production	Share (%)	Increase vs. 2011	Mexican Exports Jan-Feb		Var. %	Share		
					2012	2013		2012	2013	
1	China	19,271,808	22.90	4.63%	United States	221,235	245,654	11.0	62.5	69.4
2	United States	10,328,884	12.28	19.36%	Canada	23,400	29,240	25.0	6.6	8.3
3	Japan	9,942,711	11.82	18.38%	Latin America	70,356	33,120	-52.9	19.9	9.4
4	Germany	5,649,269	6.71	-10.49%	Africa	2,464	3,969	61.1	0.7	1.1
5	South Korea	4,557,738	5.42	-2.13%	Asia	4,178	10,647	154.8	1.2	3.0
6	India	4,145,194	4.93	5.57%	Europe	27,712	28,916	4.3	7.8	8.2
7	Brazil	3,342,617	3.97	-1.87%	Others	4,672	2,354	-49.6	1.3	0.7
8	Mexico	3,001,974	3.57	12.01%						
9	Thailand	2,783,043	3.31	90.91%						
10	Canada	2,463,732	2.93	15.40%						

Source: AMIA and www.oica.net.

More than 68% of the vehicles exported went to the United States, Mexico's main trading partner, for the period from January-February of 2013, showing a slight increase of 7 percentage points (245,654 units) in comparison to the previous year. Canada ranked 2nd place, as Mexico exported 23,400 units to this country during the same period.

Mexico is the world's fifth largest producer of auto parts.

Last year, Mexico became the fifth largest worldwide exporter. Oscar Albin, president of the National Auto parts Industry (INA), said that sales will grow between 3 and 4% in 2013 due to Europe's economic slow-down. However, Albin expects sales to grow by 15% in 2015. ProMéxico reported that Mexico currently has 200 projected investments. Half of those projects are for investments of between \$30 and \$50 million dollars; some of those reach \$80 million. There are about 1,000 auto parts companies operating in Mexico.

Top Countries, Trade of Auto Parts (USD Million)

Exports 2011			Imports 2011		
Germany	123,311	15.07%	United States	125,591	15.98%
Japan	81,267	9.93%	Germany	95,020	12.09%
United States	81,005	9.90%	China	45,511	5.79%
China	66,828	8.17%	Canada	41,104	5.23%
Mexico	45,587	5.57%	France	36,707	4.67%
France	42,070	5.14%	Mexico	32,332	4.11%
South Korea	37,181	4.54%	Japan	20,621	2.62%
Canada	20,132	2.46%	Brazil	15,161	1.93%
Brazil	11,915	1.46%	South Korea	13,240	1.68%
Total	818,181	100.00%	Total	785,767	100.00%

Source: El Financiero.

The total volume of export by Mexico in 2012 ranks # 11 with 212.792 units and a share of 1.8% Mexican vehicles in total sales to the European market. Countries with higher sales volumes in Europe during the period 2012 were Germany (25.5%), United Kingdom (16.9%), France (15.7%).

Electric cars: Moving forward

Analysts, researchers and CEOs of some automotive brands indicate that this technology is still expensive in Mexico because it raises the price of a car for at least \$10,000, besides that there are several factors that make it impractical to offer electric cars in the country, most of them still believe that the car of the future will remain of internal combustion.

The Nissan LEAF (Leading, Environmental Friendly, Affordable, Family car) is the first electric car launched internationally. It began sales in the United States and Japan in 2010 and arrived in Mexico in 2012 as a pilot program for green taxis. Just in May of 2012, Nissan Aguascalientes introduced 50 electric Leaf compact cars in coordination with the government of Aguascalientes who invested MXP 35 million in the acquisition of these units and MXP 1.5 million to install 58 electrical outlets to arm the world's largest Recharge Center.

The first obstacle experts say, in addition to high costs and insufficient infrastructure, is that the country has a lack of tax incentives for auto makers, such as a special electricity tariff for owners of these vehicles.