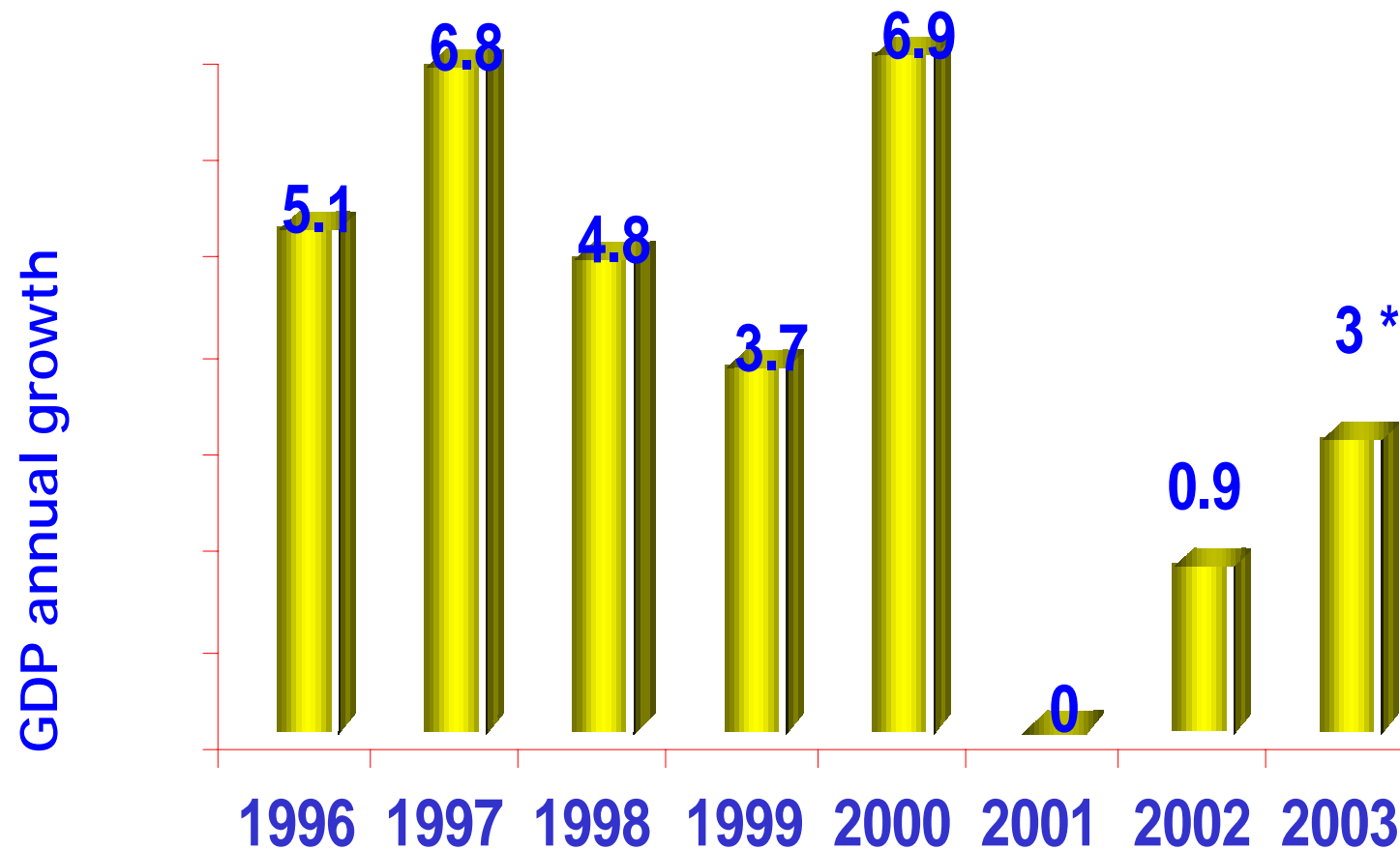




Mexico's Experience on Free Trade.

Ambassador Carlos de Icaza
Tokyo, Japan May 16th, 2003

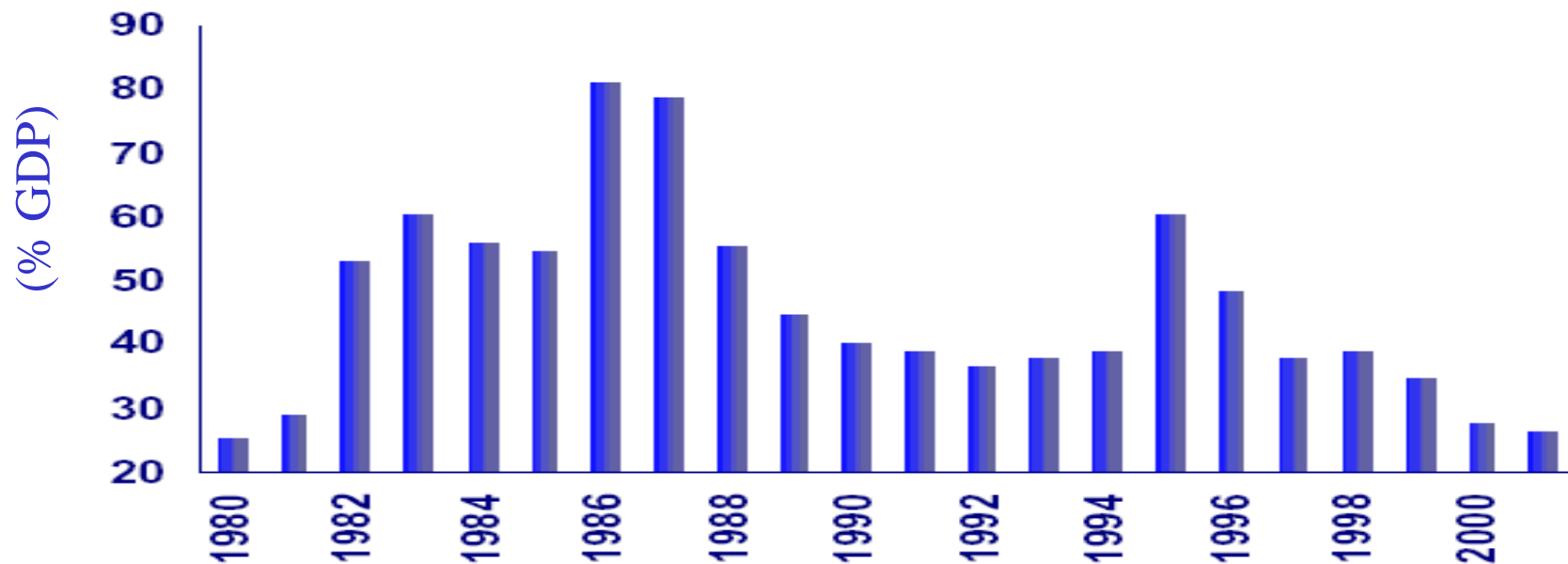
The Mexican Economy has been recovering



* Forecast

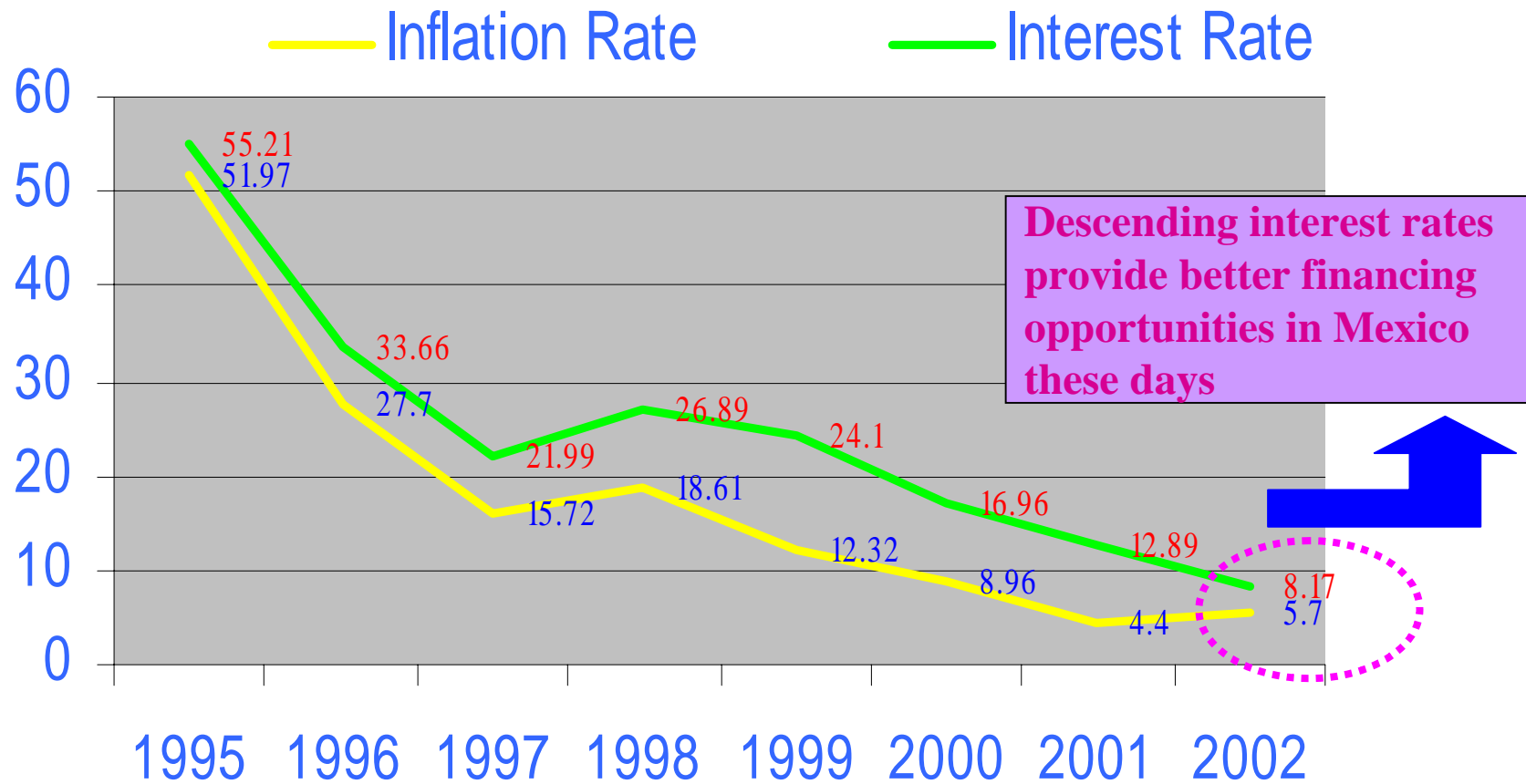
Mexico's External Debt has decreased

As % of GDP



Source: BBVA –Studies Service ; November 2002 / IIF

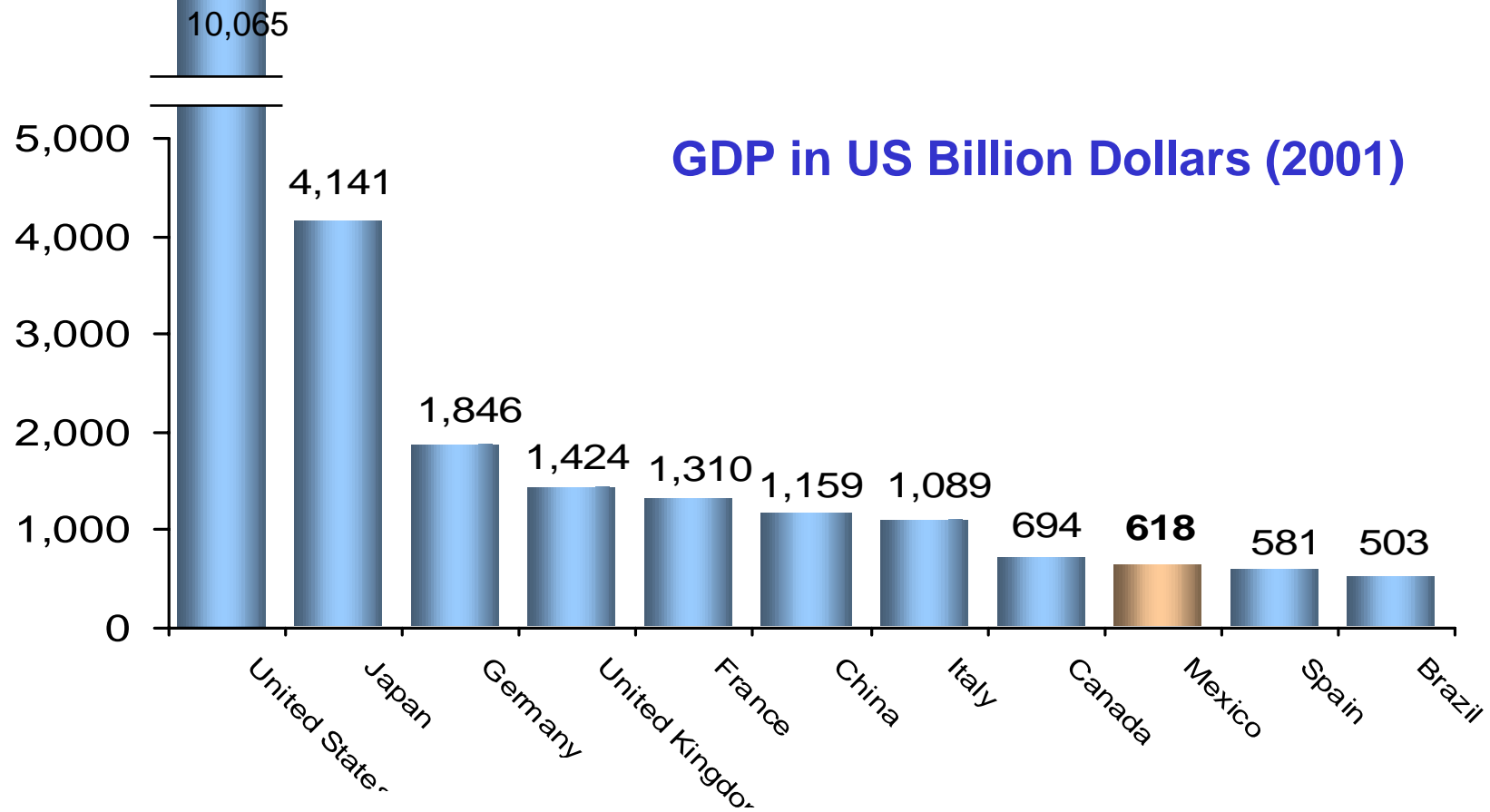
Interest Rates (%)



Source: INEGI

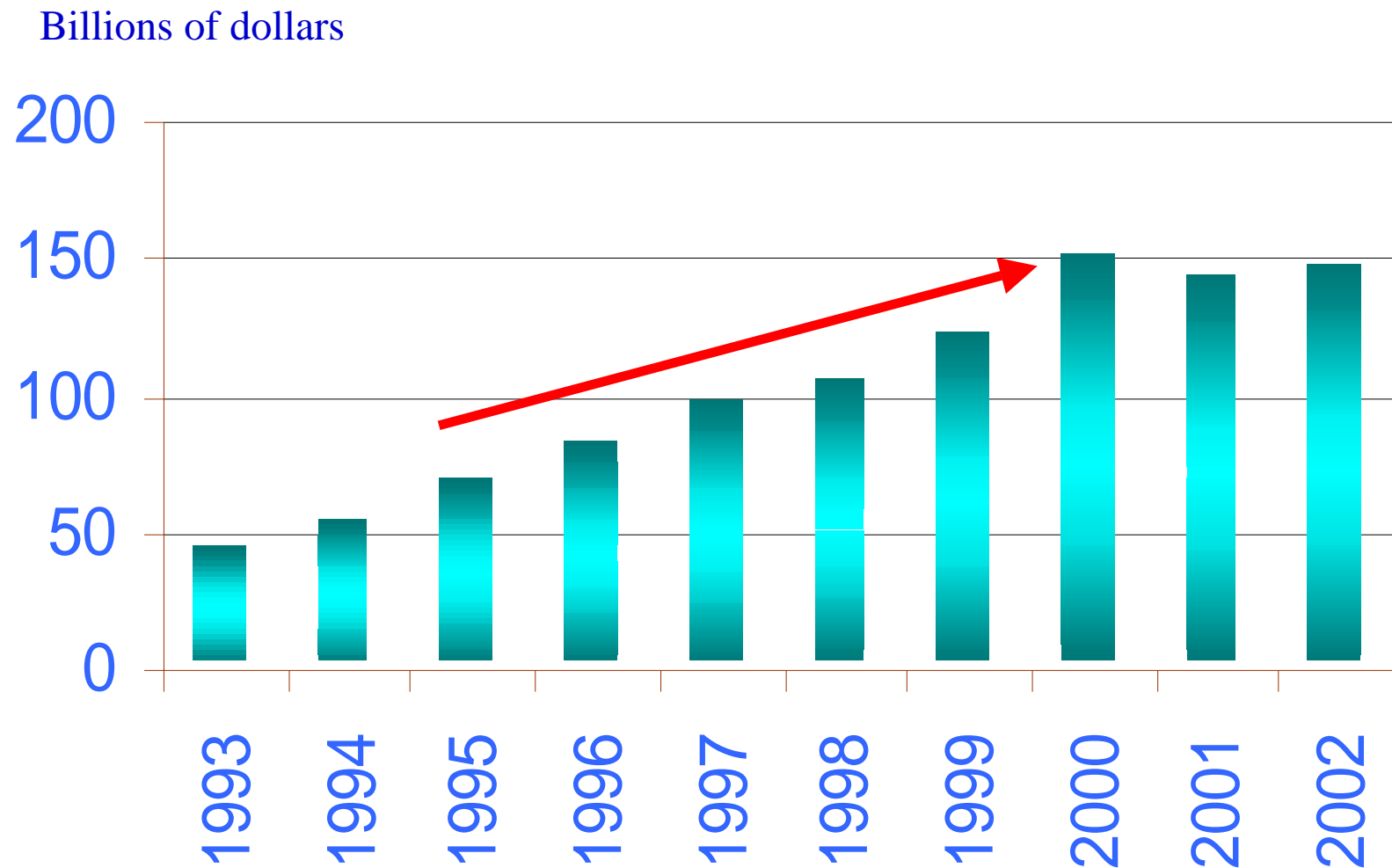
MEXICAN ECONOMY

Mexico is the 9th economy in the World



Source: The World Bank

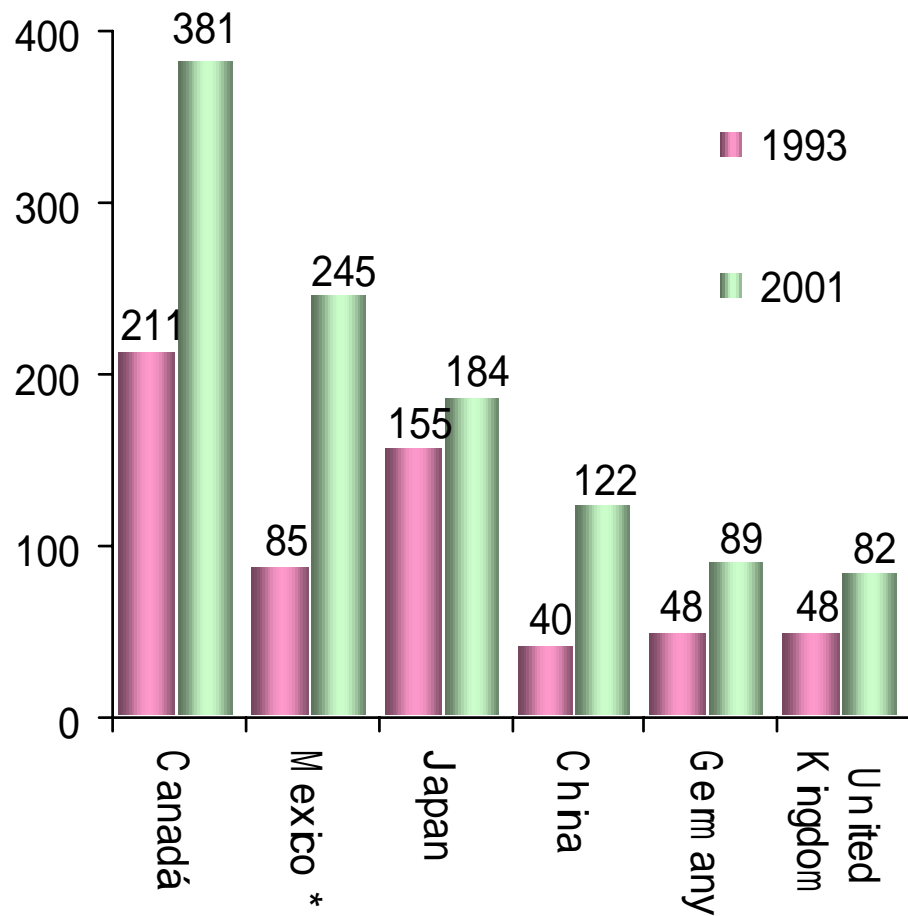
Mexico's Exports to the USA and Canada



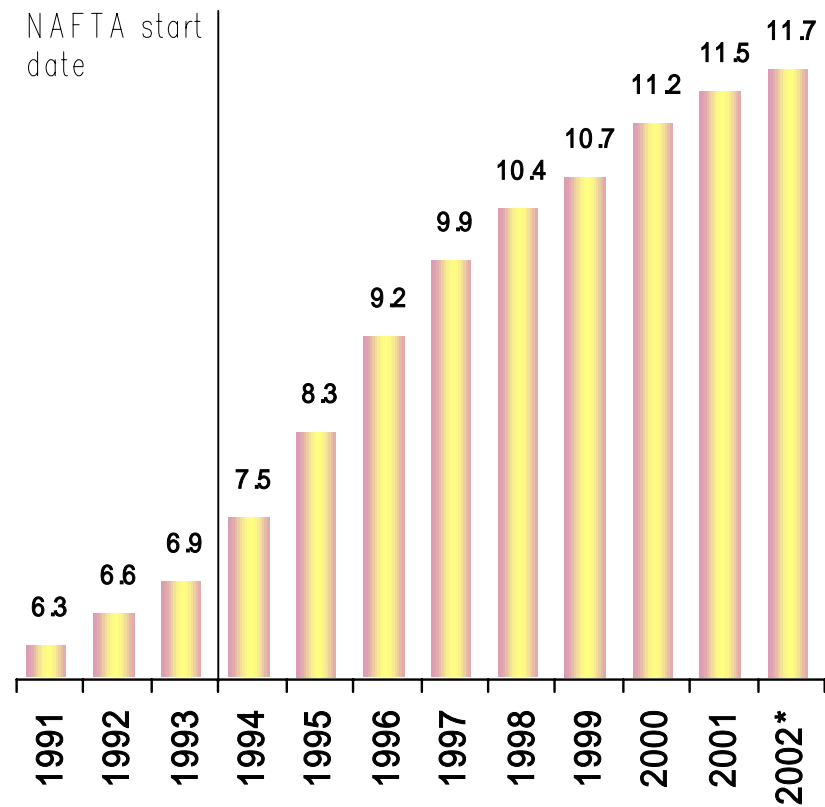
Source: Bank of Mexico

Mexico is the second trade partner of the United States...

Main US trade partners
(total trade, billions of dollars)

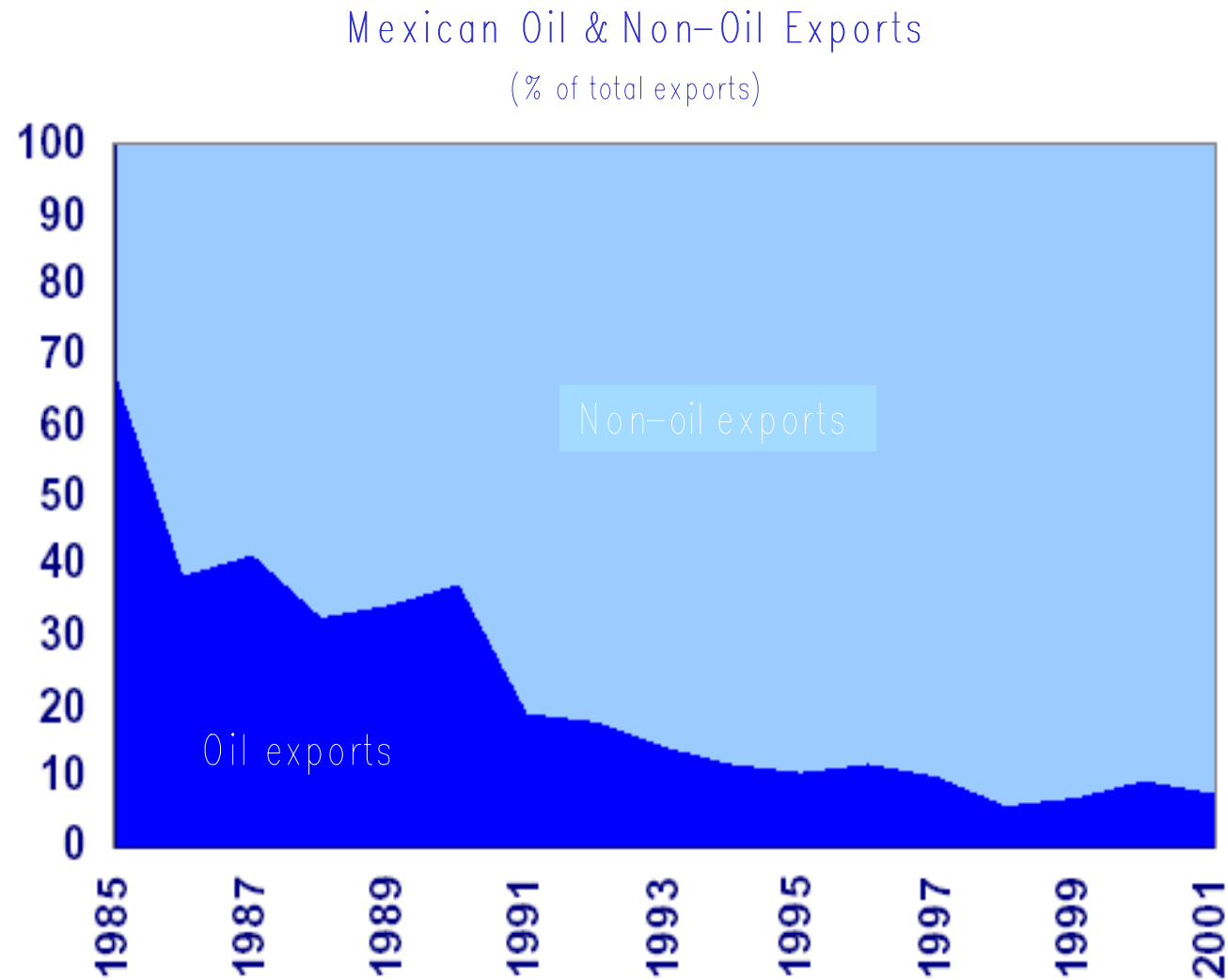


Participation of Mexican products in the US market (%)



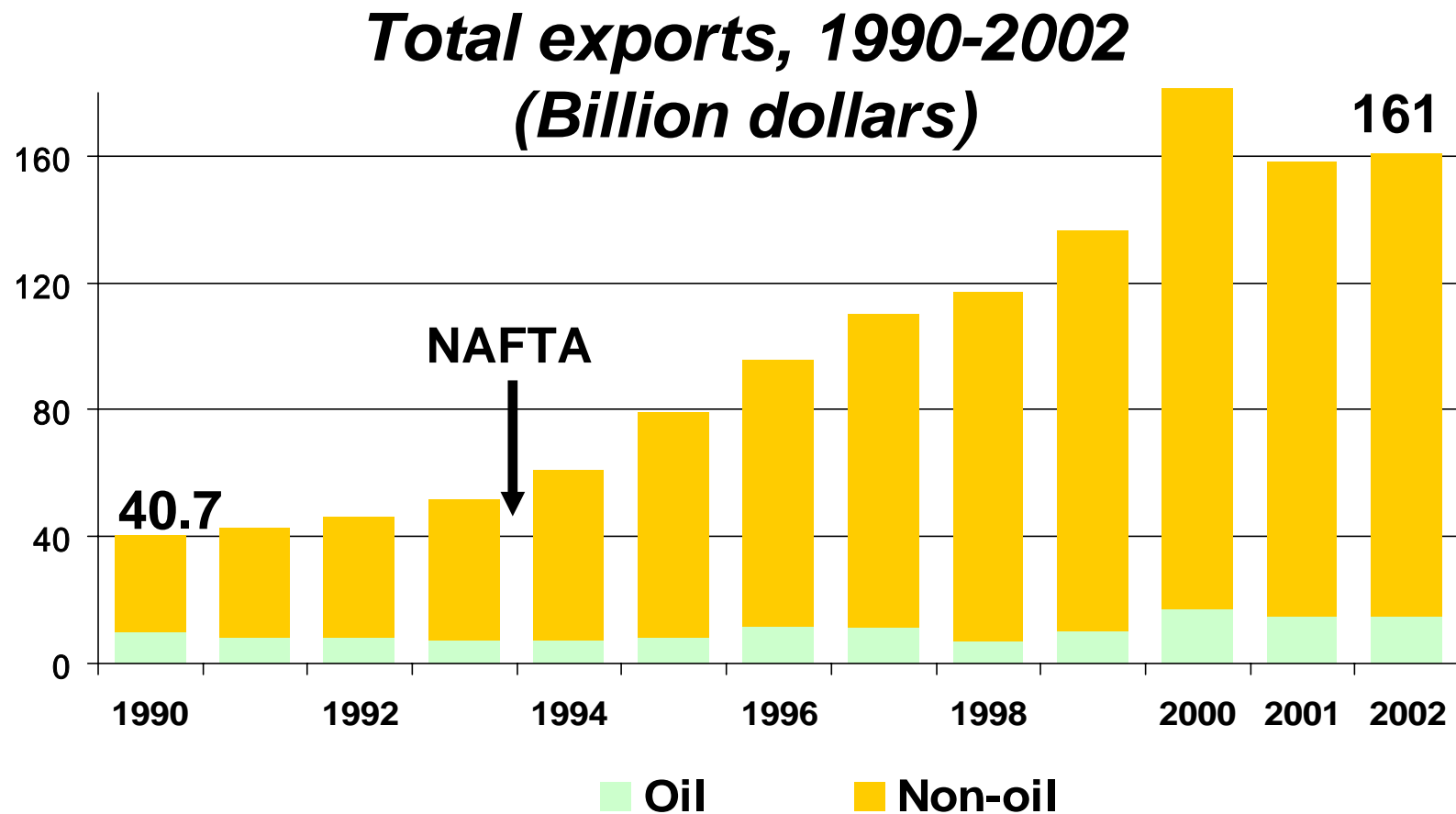
Source: Ministry of the Economy with USDOC data

Deep change in Mexico's export structure



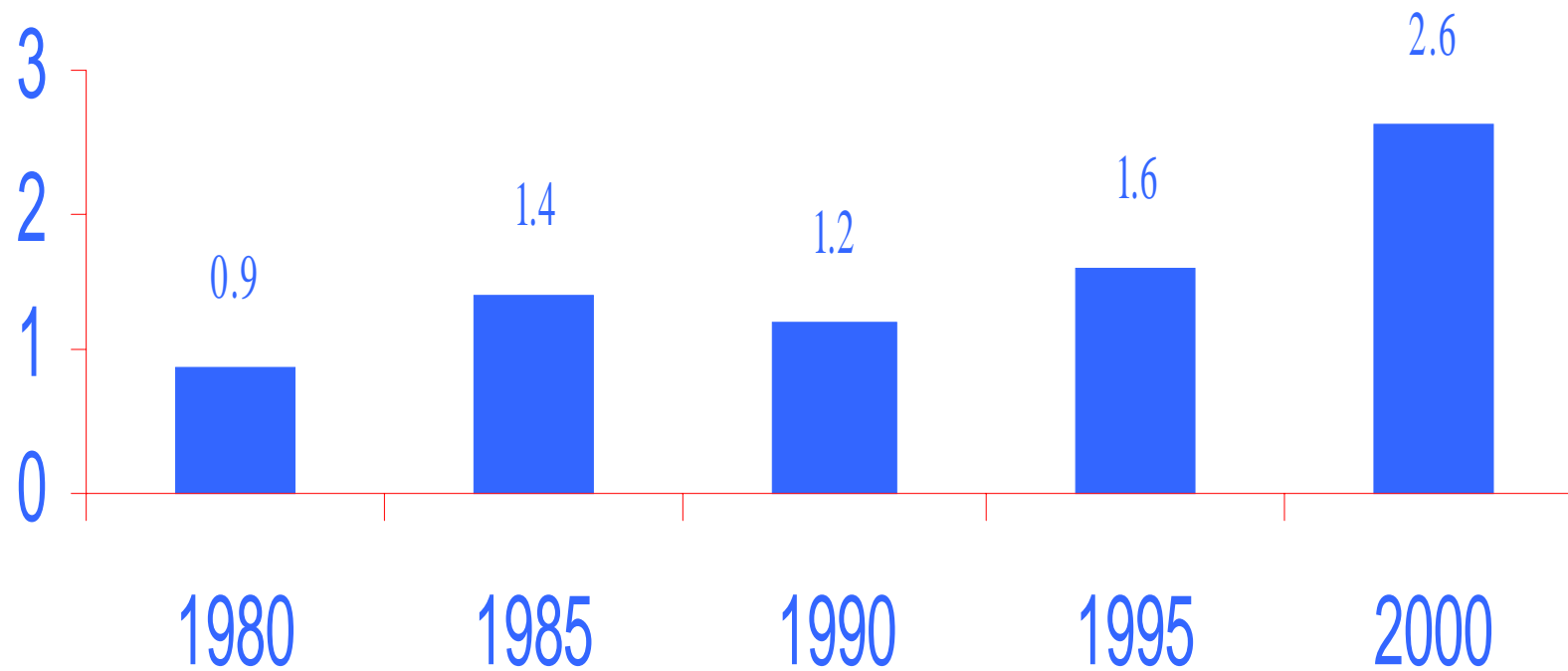
Source: BBVA –Studies Service ; November 2002 / INEGI

DYNAMIC GROWTH OF EXPORTS IN THE LAST DECADE



Source: Banco de México

Mexican Exports (% of world exports)

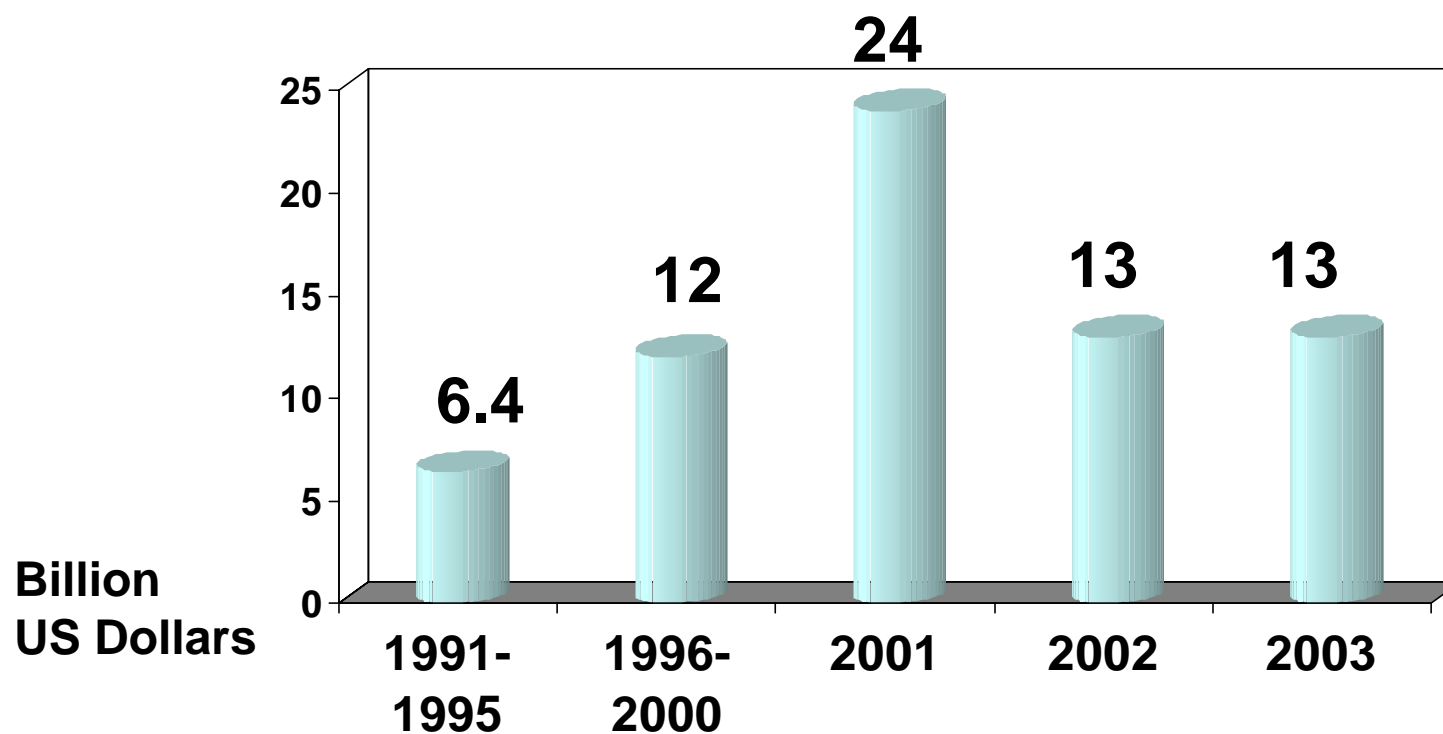


Source: W T O

FOREIGN DIRECT INVESTMENT IN MEXICO

Mexico is the 2nd largest foreign direct investment host among emerging economies

FDI, 1991-2003



Source: Ministry of Finance, Mexico

North American Free Trade Agreement

- NAFTA is a success story.
- NAFTA has proved that free trade agreements among countries with different levels of economic development make sense.
- Perhaps, its most important lesson is that a free trade agreement has to be comprehensive, take into account the sensibilities and needs of each party , and benefit all the countries involved.

Mexico' s Integration to the World Economy



Mexico is one of the countries that has signed more commercial accords in the world.

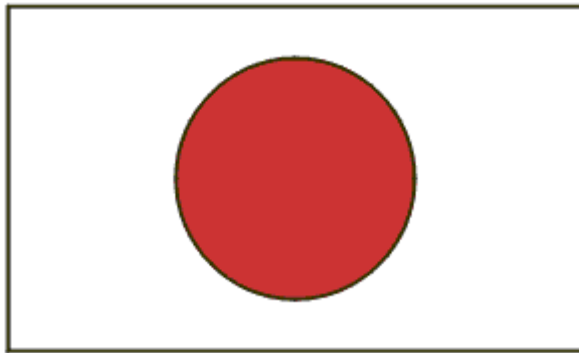
This gives it the great opportunity to be a great international commerce platform for itself and other commercial partners

Partner	Year
FTA Chile	1992
Enter to APEC	1993
NAFTA	1994
Enter to OECD	1994
FTA Costa Rica	1995
FTA Colombia-Venezuela	1995
FTA Bolivia	1995
FTA Nicaragua	1998
FTA European Union	2000
FTA Israel	2000
FTA EFTA	2000
FTA Honduras, Guatemala, El Salvador	2001
Uruguay	2001
Japan	Target: year 2003

Source: Ministry of Economy



JAPAN AND MEXICO



Japan has become our second trading partner

- USA and Japan are the two main trading partners for Mexico.
- Mexico is the second largest trading partner for the USA and the 22nd for Japan.



Mexico's Experience on Free Trade.

Ambassador Carlos de Icaza
Tokyo, Japan May 16th, 2003