

SACE's Doing Export Report 2024 Outlook on Mexico

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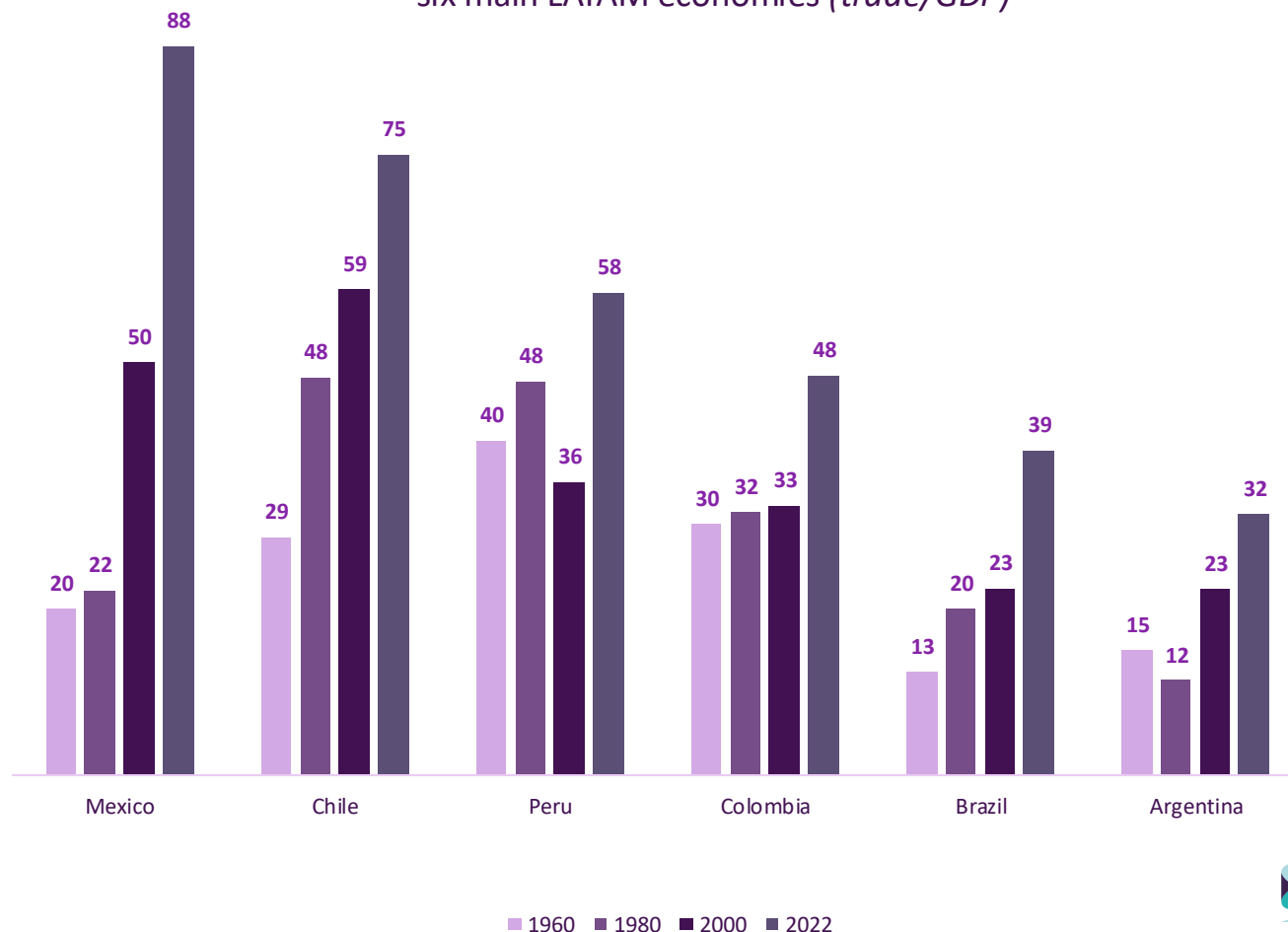




Mexico is the only large open economy in Latin America

- Mexico is the **second largest country in the region** by population and economic size.
- The country represents an **anchor of stability** in the area from a political and institutional point of view.
- Despite a not particularly strong GDP growth in recent decades, **the country's potential is significant.**
- Mexico is **increasingly integrated into regional and global value chains.**
- The **strong ties to the US** constitutes both a strong and a weak point.

Development of international trade openness in the six main LATAM economies (*trade/GDP*)

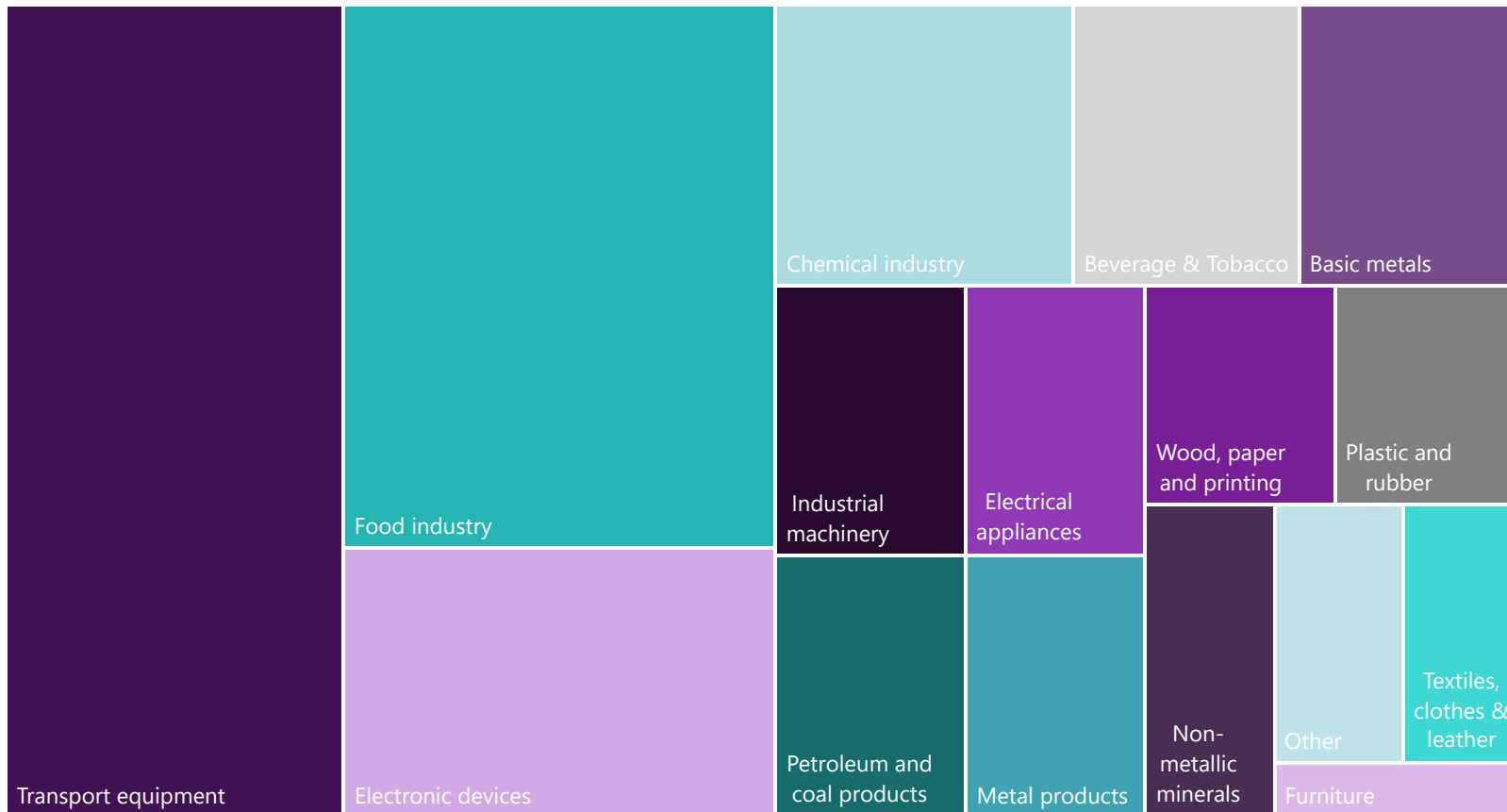


Source: SACE's elaboration on WB data.



The Mexican economic structure is diversified

Sectoral composition of manufacturing GDP, 2022 (pesos, constant values at 2018 prices)

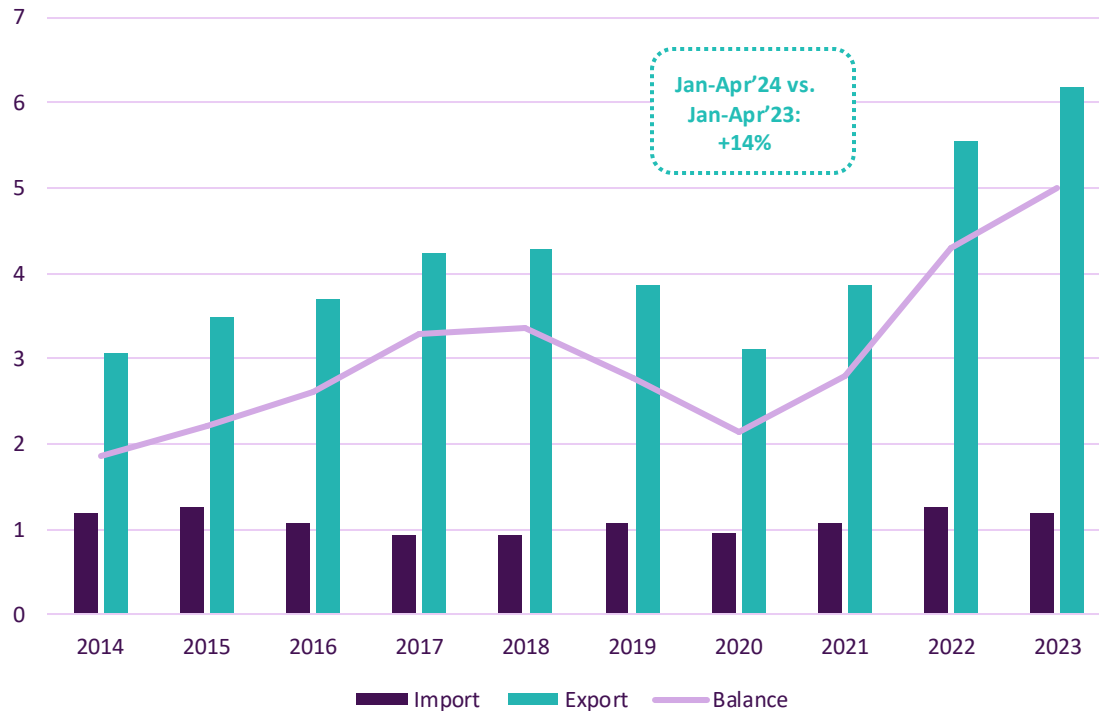


- **22nd economy in the world in terms of complexity** of the economic system, behind only China among the emerging economies.
- **Manufacturing value added is 21% of GDP**, 25% higher than the area average.
- Alongside **core sectors** (e.g. food & beverage and automotive), others are **rapidly growing** (e.g. aerospace, medical devices).
- The labour market offers **ample availability of young labour with still relatively low cost**.

Source: SACE's elaboration on INEGI data.

Trade relations between Italy and Mexico are growing

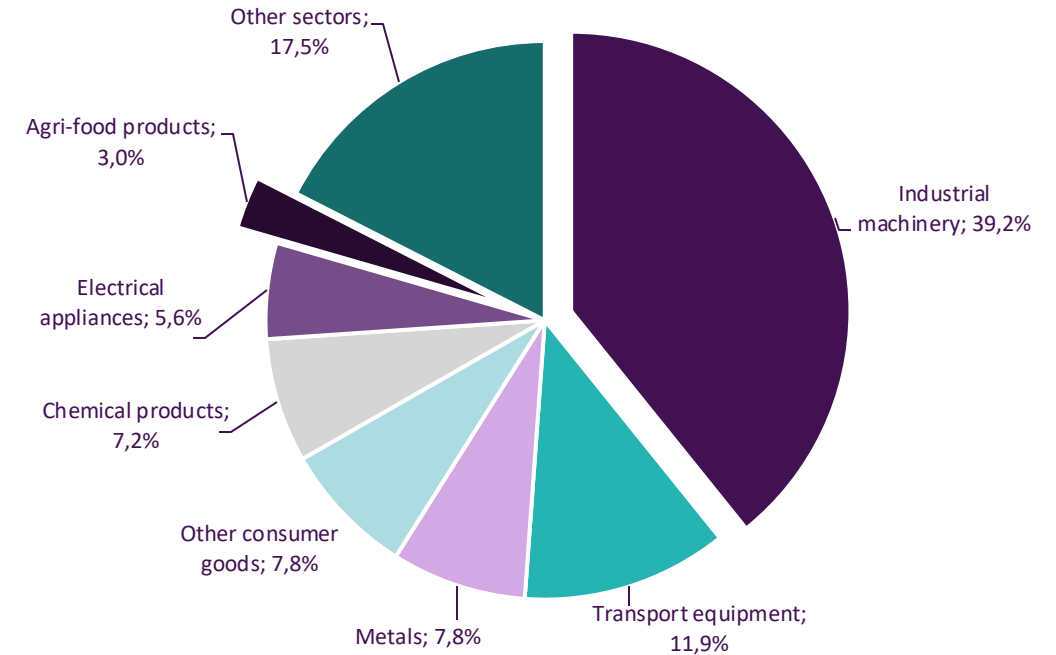
Trade between Mexico and Italy (€ bn)



- Mexico is the **first destination for Italian goods in the area**, accounting for about 30% of all exports towards LATAM.
- **Post-pandemic performance has been particularly strong** (+26.4% on average between 2021 and 2023).

Source: Eurostat.

Italian exports toward Mexico by sector, 2023



- In 2021-22 **growth has been intense across all sector**, 2023 saw a contraction for intermediate goods.
- The core of Italian exports is represented by **industrial machinery** (+30% on average between 2021 and 2023).

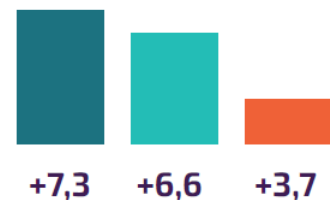
Italy's export performance towards Mexico is expected to remain strong



◆ 2024 (% chg) ◆ 2025 (% chg)



€ 6,2 bln
EXPORT 2023



◆ 2026/2027 (% chg)

- Exports towards Mexico are expected to **grow faster than the average** (+7.3% vs. +3.7%).
- Italian **mechanical equipment will find fertile ground** thanks to the well diversified manufacturing sector in Mexico and is forecast to grow by 6.2% this year and 6.6% in 2025.
- **Transport equipment will remain one of the main export sectors** (+5.1% in 2024; +4.7% in 2025) also thanks to Mexico's good placement in electrical vehicles value chains.
- **Aerospace** – a still small but fast-growing sector in Mexico – could also drive demand for Italian firms active in the value chain.

Thank you



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