



NAFTA Works



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“EXPORTANET”, A MEXICAN PROGRAM THAT INTRODUCES YOUR COMPANY TO MEXICAN SUPPLIERS

The Banco Nacional de Comercio Exterior (Bancomext), which is in charge of promoting foreign trade and attracting foreign investment to Mexico, maintains a promotional program called “Exportanet”, created for Mexican companies that wish to export their products to international markets.

Exportanet is an online system that contains detailed information about companies from all over the world that are looking to buy Mexican products and services, and foreign partners in business. This program can be accessed by the Mexican exporters 24 hours a day, 365 days a year. The website is easy to manage and navigate, with searches based on product, sector, tariff item, or location.

The promotional services provided by Bancomext are designed on one hand to consolidate Mexico's export capacity, and on the other hand to facilitate access of Mexican products to international markets and ensure their availability.

In the case of the North American market, Exportanet has been a very useful tool for US and Canadian companies in finding suitable Mexican suppliers for the products that they were interested in, and in establishing the communication and linking among companies around the region.

Currently, nearly three thousand Mexican producers and exporters are subscribers to Exportanet and the program website is visited many times a day. The wealth of information offered by this system is fed and updated by Bancomext officials that search day by day for foreign corporations interested in doing business with Mexican companies through a network of 43 overseas Bancomext offices, located in countries where Mexico maintains a significant trade balance or where there is important business potential.

There are no fees and no charges for a foreign company that wants to be included in the database for finding Mexican suppliers. The interested company just needs to fill out a form with the following data: name of the company (and corporation to which it belongs, if applicable); detailed information of the company, such as address, telephone, fax, e-mail, website, etc.; representative's name and post; main activity of the company, such as manufacturer-producer, trader, broker, service provider, etc; bank references; and product specifications that they wish to purchase from Mexico (description, including technical characteristics) and a rough monthly quantity.

After verification, the detail information is included in the data base and, also, a list of Mexican manufacturers of the product requested is sent to the requesting company for a quick contact.

Moreover, Bancomext's offices abroad work in close cooperation with banks and other foreign trade agencies and provide information on available financial and promotional instruments. Similarly, acting in conjunction with the Ministry of the Economy, the Bank supports investment projects by providing information both on legal aspects and specific investment opportunities in Mexico.

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Mexico Economic Update

	Dec 2005		Jan-Dec 2005			Dec 2004	Dec 2005		Nov 2004	Nov 2005	
	Value (US bd)	Annual Change %	Value (US bd)	Annual Change %							
Foreign Trade					Financial Indicators				Economic Growth		
Exports	19.39	24.7	214.23	14.0	Inflation Rate (Annual)	5.2	3.3	↓	Global Economic Activity Index (IGAE)	5.7%	2.5%
Manufacturing	15.69	22.8	175.17	11.0	Interest Rate (CETES 28)	8.5	8.2	↓	Industrial Activity		
Oil	2.93	47.7	31.89	34.8	Stock Market Index (IPC)	12,504	17,627	↑	Industrial Production	5.9%	3.0%
Imports	20.60	15.7	221.82	12.7	Exchange Rate (pesos/dollar)	11.20	10.63	↓	Manufacturing	6.3%	3.0%
Balance	-1.21	-46.5	-7.59	-13.9	International Reserves (US bd)	61.5	68.7	↑	Mining	2.2%	3.6%
					Employment				Construction	7.3%	3.9%
					Open Unemployment	Nov 2004	Nov 2005				
						3.61	2.99	↓			

Source: Ministry of the Economy with Banxico and INEGI data.

US bd= US billion dollar



Other services provided by Bancomext are:

- Detecting and promoting investment opportunities in the field of in-bond industry and subcontracting .
- Promoting your interest in a specific product through our System of Foreign Trade Promotion, an on-line system linked to Bancomext's international and domestic offices.
- Identifying both Mexican manufacturers and U.S. regional consumers for match-making situations. This translates into possibilities for sourcing, sub-contracting, purchasing of products, etc.

If you require additional information about Exportanet, or in order to be incorporated into the system, you can send your inquiries to: exportanet@bancomext.gob.mx, or contact the Bancomext Trade Commission offices throughout North America:

Los Angeles

350 South Figueroa St.
World Trade Center
Suite 296
Los Angeles, California 90071, U.S.A.
Tel: (213) 6-28-12-20
Fax: (213) 6-28-84-66
Representative: Eligio Serna Nájera
Email: eserna@bancomext.gob.mx or
tcom@mexico-trade.com
Area: Utah, Arizona, California, Hawaii, Nevada, Idaho

Vancouver

200 Granville Street, 1365,
Vancouver, B.C. V6C 1S4, Canadá
Tel: (604)682-36-48
Fax: (604)682 13 55 or (604)844 78 66
Representative: Sergio Javier Rios Martínez
Email: srios@trademexbc.com or
bancomext@trademexbc.com
Area: British Columbia, Alberta, Yukon Territories,
Northwest Territories Alaska, Washington

Houston

5065 Westheimer Rd.
Suite 707
East Houston, Tx. 77056 U.S.A.
Tel: (713) 965-0767
Fax: (713) 965-0731
Representative: Armando Camarena Aranda
Email: acamaren@bancomext.gob.mx
South Carolina, Tennessee, Alabama

Atlanta

233 Peachtree Street N.E.
Suite 2205
Harris Tower, Atlanta, GA 30303, U.S.A.
Tel: (404)5-22-27-40 or 53-73 or 53-74 or 08-57
Fax: (404)6-81-33-61
Representative: Alejandro Coss Rodríguez
Email: srios@trademexbc.com or
Area: Kentucky, Virginia, Georgia, North Carolina,
South Carolina, Tennessee, Alabama

New York

757 Third Avenue
Suite 2403
New York, N.Y. 10017, U.S.A.
Tel: (212)826 29 39 or 29 78
Fax: (212)826 29 79 or 30 51
Representative: Edmundo González Herrera
Email: cc-toronto@bancomext.gob.mx or
Area: Connecticut, Delaware, District of Columbia,
Maine, Maryland, Vermont, New York, New
Jersey, New Hampshire, Pennsylvania,
West Virginia, Massachusetts.

Dallas

2777 Stemmons Freeway
Suite 1622
Dallas, Texas 75207, U.S.A
Tel: (214)688 40 96 or 40 97 or (214)637 02 33
Fax: (214)905 38 31 or (214)905 30 21
Representative: Virginia Arteaga Saenz
Area: Arkansas, Missouri, Kansas, North Texas,
Oklahoma, Montana, Wyoming, Colorado.

San Antonio

203 S. St. Marys
Suite 101
San Antonio, Tx 78205
Tel: (210)281-9748
Fax: (210)281-9749
Representative: Lauro Andrés Jauregui Araiza
Email: cc-san.antonio@bancomext.gob.mx
Area: South Texas and New Mexico

Miami

444 Brickell Avenue
Suite 450
Miami, Florida 33131, U.S.A.
Tel: (305) 415 – 93 60
Fax: (305) 415 – 93 61
Representative: Jorge H. Barreto González
Email: jbarreto@bancomext.gob.mx
Area: Florida, Louisiana, Mississippi, Puerto Rico,
Dominican Republic, and Haiti.

Chicago

225 North Michigan Av.
Suite 1800
Chicago, IL. 60601, U.S.A.
Tel: (312) 856-0316
Fax: (312) 856-0720
Representative: Miguel Angel Leaman
Email: mleaman@bancomext.gob.mx
Area: Illinois, Indiana, Iowa, Minnesota, Nebraska,
South Dakota, North Dakota, Wisconsin,
Detroit, Michigan, and Ohio.



Selected Readings

How Does Trade Openness Influence Budget Deficits in Developing Countries? (Combes, Jean-Louis and Saadi-Sedik, Tahsin. *International Monetary Fund, Working Papers*, January 2006)

<http://www.imf.org/external/pubs/ft/wp/2006/wp0603.pdf>

This paper analyzes the effects of trade openness on budget balances by distinguishing the effects of natural openness from those of trade-policy induced openness. Using the GMM system estimator, the econometric analysis focuses on 66 developing countries during 1974-98. The results show that trade openness increases a country's exposure to external shocks regardless of its underlying causes. This reinforces the adverse effects of terms of trade instability on budget balances. However, trade openness also influences budget balances through several other channels: corruption, income inequalities, etc. The paper shows that these additional effects of natural openness and trade-policy induced openness on budget balances go in opposite directions: the former deteriorates budget balances whereas the latter improves them.

The Implications of Trade Barriers for Sectoral Diversification and Macroeconomic Stability in Developing Economies (Srour, Gabriel. *International Monetary Fund, Working Papers*, February 2006)

<http://www.imf.org/external/pubs/ft/wp/2006/wp0650.pdf>

This paper examines the implications of lower trade barriers for sectoral diversification and macroeconomic stability in developing economies with a large primary goods sector. It shows that lower trade barriers can have ambiguous effects on macroeconomic stability. It shows also that diversification, in the form of equal distribution of resources between nonprimary sectors, may be counterproductive. In fact, investment in the nonprimary sector with lower trade barriers unambiguously enhances macroeconomic stability in a developing economy that is subject to substantial primary shocks.

Diario Oficial Notices

- ◆ Determination fulfilling the sentence of the Seventh Collegial Court of Administrative Matter of the First Circuit, issued on August 24, 2005 linked to the 1894/2004 injunction trial promoted by International Paper Company regarding the final determination of the Sunset Review on countervailing duties imposed to the cut bond paper imports, currently classified under tariff item 4802.56.01 of the Law of the General Taxes of Importation and Exportation, published on November 17, 2004; Merchandise from the United States, regardless of the shipping country. (December 13).
- ◆ List of documents in review, dictated, authorized, extent and with the opinion of the Federal Commission for the Regulatory Betterment in the period of November, 1st to 30th, 2005. (December 13).
- ◆ Agreement notifying guidelines for the PITEX, Maquila (in-bond) and PROSEC Programs. (December 19).
- ◆ Decree of the Federal Budget of Expenditures for 2006. (December 22).
- ◆ Modifications for 2005 of the General Rules on international trade and their annexes. (December 29).
- ◆ Agreements notifying the tariff quotas to import in 2006, powder milk from WTO member countries as well as milk preparations with a solid content above 50% in weight. (December 29).
- ◆ Decree establishing the applicable tariff rates during 2005, under the General Import Tax, for goods originated in the EC, EFTA members, and Japan, among other countries. (December 29).
- ◆ Notice that establishes tariffs of the General Import and Export Tariff Law that classifies the import-export merchandise that is subject to duties and countervailing. (January 3).
- ◆ Mexican official Standard NOM-006-SCFI-200, Alcoholic Beverages -Tequila specifications. (January 6).



New Jersey

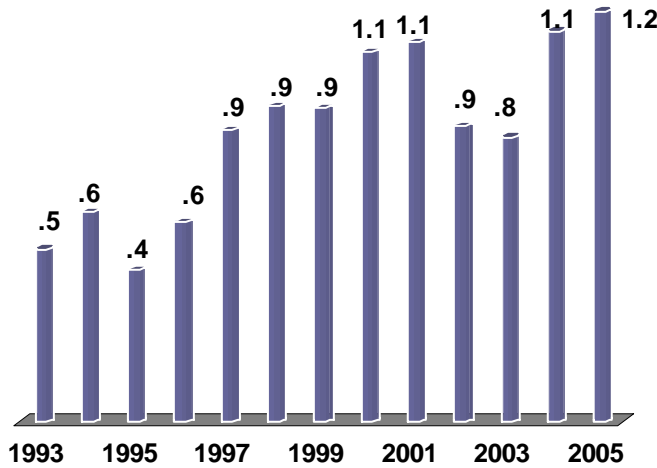
Success Stories

From 1993 to 2005, New Jersey's exports to Mexico increased 137%

Mexico is the fifth largest consumer market for New Jersey goods.

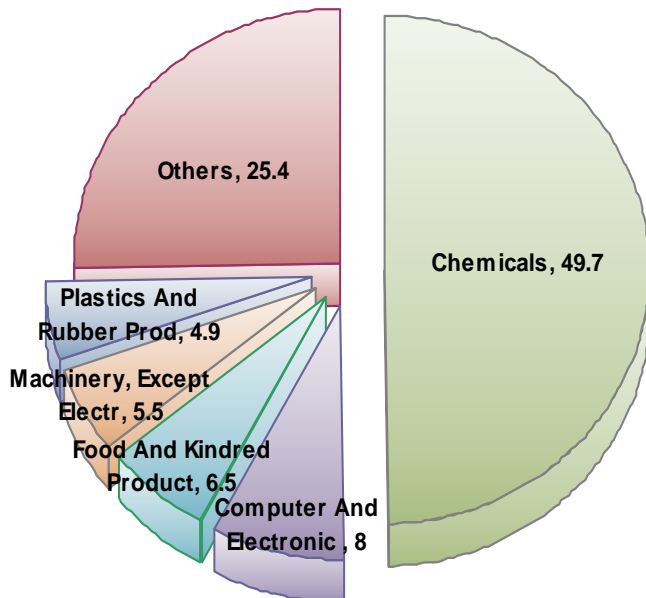
Exports to Mexico

1993-2005 (US Billions)



By Sector (NAICS)

2005



Source: US Census, MISER and SE-NAFTA. SIC Series 2000-2005, NAICS series.

Mall to invest in Campeche

Mall, a Spanish real estate company, is set to invest a tourism project in Campeche that will include a golf course, 2,500 apartments and 500 hotel rooms. With an estimated \$450 million, the project will generate 2,000 direct jobs and is expected to create a direct air bridge between Spain and Campeche. This project, one of the most important in the Mexican tourism sector, is part of Mall's Latin America expansion plans.

Takata Corporation expands in Coahuila

Takata Corporation, the Japanese leading automotive safety systems manufacturer, will start producing airbags in Torreón. This new facility will be the third of its kind in Mexico and will run production lines for cutting and sewing, molding and painting, and final assembly and testing of airbags. It will be hiring an estimated 1,500 people by the end of 2009 to run the new 165,000 square foot facility.

Laird to open facility in Reynosa

Laird Technologies, a leading designer and manufacturer of electromagnetic shielding (EMI), thermal management and wireless antenna solutions, has announced plans to open a manufacturing facility in Reynosa. The facility will initially support all aspects of handset antenna manufacturing and will later on maintain the manufacture, conversion, and distribution of EMI shielding and thermal products to supply the Mexican market.

Trumpf invests in Apodaca

The German company, Trumpf, is in the metal-mechanics sector and produces tools for working metal sheets; lasers for processing; medical electronic systems and portable tools. Because of Nuevo Leon's proximity to the US, Trumpf has decided now in 2006, to invest USD \$10 million in Apodaca, NL in order to establish itself in Mexico.



Sinaloa



Major exports: Metal Products, processed food, metals, electrical equipment, chemicals, textile, wood

Exports: US \$935 Millions (2004)

Imports: US \$531 Millions (2004)

Maquiladoras: 8 employing 5,480 workers

FDI Companies: 212

Capital: Culiacan
Main cities: Culiacan, Mazatlan, Ahome, Guasave, Navolato, El fuerte

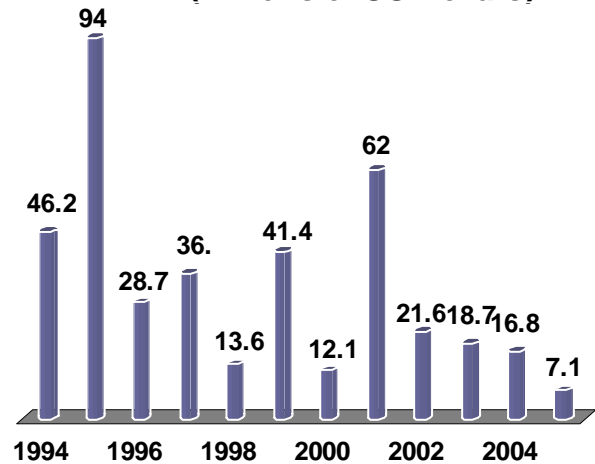
Population: 2,608,442 (2005)
67% in the urban area
62% under 30 years old
43 persons per square kilometer

Education: 92% Literacy rate
278,969 with more than High School
8,655 Masters or Ph.D.

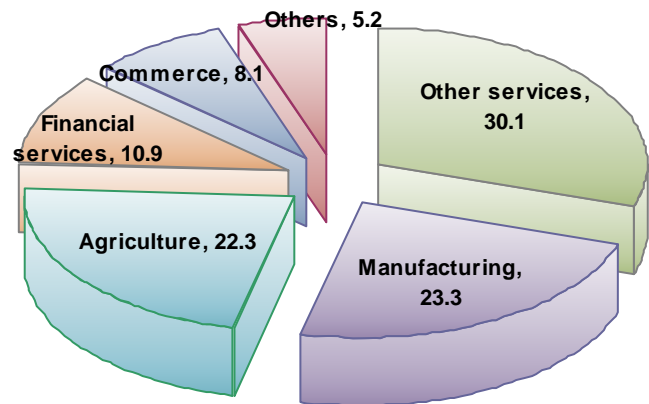
Households with:
17% Computers
93% TV
91% Refrigerators
68% Washing Machine

Infrastructure:
5,461 km of paved roads
717 km of highways (4 lanes)
3 International Airports
104 Universities and technological institutes
89 Hospitals
430,612 Fixed telephone lines
49 Radio stations
15 TV stations

Foreign Direct Investment (Millions of US Dollars)

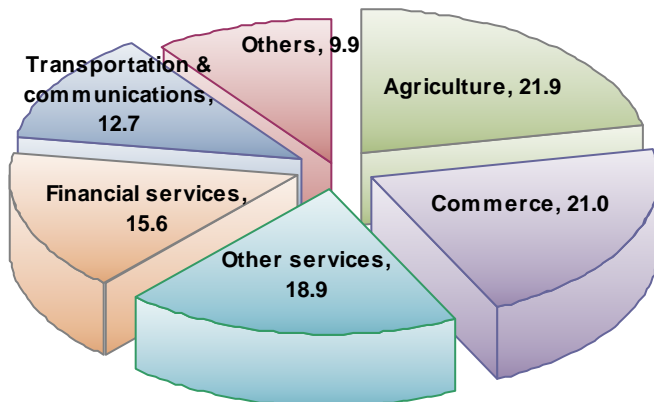


Foreign Direct Investment by Sector 94-05 (Percentage)



397.8 Millions of US Dollars

Gross Domestic Product 2004



Web-site: <http://laip.sinaloa.gob.mx/LAIP/Secretaria/SDE/>
E-mail: sedeco@sinaloa.gob.mx
Tel/Fax: 011 52 (667) 758 5200 Ext. 205
011 52 (667) 758 5257



N AFTA Related Events

January 17 – 20

“ESPACIO SEDE DEL REGALO”

México, D.F.

Gifts and Decoration

<http://www.espaciosalpro.com>

January 17 – 20

“INTERMODA”

Guadalajara, Jalisco

Fashion, Textile, and Confection Trade Show

<http://www.intermoda.com.mx>

atencionalcliente@intermoda.com.mx

January 23 – 27

“48 AMFAR EXPO DECORACION Y REGALO”

México, D.F.

Gifts and Decoration

<http://www.amfar.com>

amfar@amfar.com

January 25 – 28

“XI MAGNA EXPOMUEBLERA”

México, D.F. – Centro de Promoción de Amueblamiento

Furniture, Machinery, and Tools for the Furniture Industry

<http://www.promueble.com.mx>

promueble@promueble.com.mx

February 7 – 9

“LAS AMERICAS SECURITY SHOW”

México, D.F.

Products and services for the security and safety industries.

<http://www.lasamericassecurityshow.com.mx>

February 14 – 17

“EXPO COMM MEXICO 2006”

México, D.F. – Centro Banamex

Expo Comm Mexico 2006 is Mexico and Central America's only telecommunications, IT, wireless, networking, and internet technologies exhibition and conference covering all aspects of the telecom sector. In its 15th presentation, EXPO COMM MEXICO 2006 is the place for the leading telecom and technology companies to showcase their latest and most successful innovations and solutions, including satellite technologies, IP-based tools, WiFi solutions, and 3G applications for mobile telephony and mobile portals.

<http://www.ejkrause.com.mx>

oscar@ejkraus.com

February 18 – 27

“FERIA DE LAS AMÉRICAS”

León, Guanajuato – Poliforum

This event is the 31st annual tradeshow for suppliers, machinery and fashion for leather and footwear industries. Sponsored by the Asociación Nacional de Proveedores para la Industria del Calzado.

<http://feria.anpic.com>

feria@anpic.com

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