Grow Your Exports to Mexico Webinar

March 4, 2021
Great Lakes St. Lawrence Governors & Premiers

• More than 30 years of collaboration among the region’s chief executives:

<table>
<thead>
<tr>
<th>Illinois</th>
<th>Indiana</th>
<th>Michigan</th>
<th>Minnesota</th>
<th>New York</th>
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<tr>
<td>Ohio</td>
<td>Ontario</td>
<td>Pennsylvania</td>
<td>Québec</td>
<td>Wisconsin</td>
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• Growing the region’s economy and protecting the world’s greatest freshwater system

• Chair: Wisconsin Governor Tony Evers

• Vice Chair: Ohio Governor Mike DeWine
Award-Winning Project Portfolio

**Economy**
- Promoting SME Exports
- Growing Strong Clusters
  - Maritime Transportation
  - Tourism
  - Cruising
- Attracting Foreign Investment

**Environment**
- Managing Sustainable Water Use
- Restoring and Protecting the Great Lakes St. Lawrence

Great Lakes St. Lawrence Governors & Premiers
GSGP Trade Missions

PROVEN RESULTS

1,000+ companies assisted per year

$777 million in 2015-2019 export sales

26+ trade missions

Abu Dhabi, Argentina, Australia, Brazil, Chile, Czech Republic, Colombia, Dubai, Germany, India, Indonesia, Mexico, New Zealand, Peru, Poland, Romania, South Africa, Qatar, Québec, Tanzania, Thailand, Turkey, Vietnam, UAE and the United Kingdom
Recipient of 2020 President’s “E” Award for Export Service

The President’s “E” Award is the highest recognition any U.S. entity can receive for making a significant contribution to the expansion of U.S. exports.
Mexico is an emerging market economy of global significance:

**15th largest economy** in the world and the **2nd largest in Latin America.**

- GDP: 1.223 trillion USD (2019)
- GDP per capita based on PPP: $20,602 USD (2019)
- GDP growth: 0.1% (2019)
- Inflation: 2.98% (2019)
- Int. Reserves: 181 billion USD (2019)
- Open economy: **11 Free Trade Agreements** with 46 countries

Source: The World Bank; Banxico
Quick View

• **Population:** 132,867,585 (2017) (**10th most populous country worldwide**)

Average Age: 28 Years Old (2018)

- 0-14 years old: 29%
- 15-29 years old: 27%
- 20-59 years old: 35%
- 60-85 years old: 9%

49% 
51%

Source: Inegi 2010
Mexico performed as the US’s 2nd largest trade partner in 2020. According to the US Census Bureau data, the value of trade between both counties reached $538.1 billion dollars, which represented 14.3% of the U.S.’ total trade.
TRADE BETWEEN

U.S.’ EXPORTS TO MEXICO AND OTHER SELECTED COUNTRIES
2020¹

<table>
<thead>
<tr>
<th>Country</th>
<th>Value (Billions of Dollars)</th>
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<tbody>
<tr>
<td>Mexico</td>
<td>$212.7</td>
</tr>
<tr>
<td>China (including Hong Kong and Japan combined)</td>
<td>$212.7</td>
</tr>
<tr>
<td>U.K., Germany, Netherlands and Belgium combined</td>
<td>$189.9</td>
</tr>
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U.S.’ EXPORTS TO MEXICO by product 2020¹

- Computer & Electronic Products, 18%
- Autoparts and other Transportation Equipment, 11%
- Chemicals, 10%
- Petroleum & Coal Products, 9%
- Non-electrical Machinery, 8%
- Other, 43%
U.S. Trade Relationship

- Mexico is the United States’ 2nd largest trading partner
- Mexico is the 2nd destination of all U.S. exports
- 26 American states depend on Mexico as their first or second destination for exports
- More than one billion/day in two way trade
- Nearly 50,000 U.S. Small and Medium sized enterprises export to Mexico.
- Six Million Jobs in the U.S depend on trade with Mexico
- Mexico buys from its USMCA partners more than it buys from China, Japan, and Germany combined.
- Mexico and the U.S maintain a highly integrated production chain 40% of the content of Mexican exports to the U.S was originally manufactured in the U.S.
U.S. States for which Mexico was #1 or #2 Merchandise Export Destination

[Map showing the states with Mexico as the #1 or #2 export destination, with two color schemes: blue for first largest and green for second largest.]
From NAFTA to USMCA
MAIN CHANGES

- From 22 Chapters under NAFTA to 34 Chapters under USMCA
- Labor Norms
- Environmental Norms
- Biopharma
- Economic Impulse
- Trade Growth
- Sunset Clause
- Third Party Free Trade Agreement
- E-Commerce
- Automotive (Salary Growth and Rules of Origen)
- Solution to Disputes
- Agricultural Growth
Rules of Origin

Not by purchasing North American-produced merchandise does it automatically qualify as originating for USMCA purposes.
USMCA

OPPORTUNITIES

[Image of flags and magnifying glass highlighting the word opportunities]
This is your Opportunity
Join GSGP's Virtual Trade Mission to Mexico
June 21th to July 2nd

Are you looking to grow your export sales?

Are you looking for distributor, representative, or end user?

Export Grants Available!

B2B meetings with Pre-qualified Mexican companies

No need to travel, Virtual Trade mission

Local and knowledge professionals with more than 20 years of experience in trade missions

Let the GSGP Mexico Trade Office save you valuable time and resources, and maximize your results!
Best Prospects for U.S. Exporters

• Agriculture
• Automotive Parts & Supplies
• Education & Training services
• Agribusiness
• Building Materials & Services
• Clean Energy
• Franchising
• Valves and Specialty Pumps
• Construction (Commercial & Residential)
• Health Care IT/Medical Devices
• Internet & IT Services
• Environmental Technologies/Water
• Packaging Equipment
• Security & Safety Equipment & Services
• Franchising
• Valves and Specialty Pumps
• Construction (Commercial & Residential)
• Health Care IT/Medical Devices
• Internet & IT Services
• Environmental Technologies/Water
• Packaging Equipment
• Security & Safety Equipment & Services
• 4.0 Manufacturing
• Transportation Infrastructure Equipment & Services
• Food and beverage equipment and products
• Transportation Infrastructure Equipment & Services
• Food and beverage equipment and products
• Travel & Tourism Services
Business with Mexicans

“When in Mexico, do as Mexicans do”

- Information is processed subjectively and associatively.
- Objective facts are used by those with a higher education.
- Degree of personal involvement in each situation.
- The best interest of the family or group is a dominating factor.
- Establishment of a rapport before doing business.
Business with Mexicans

**Appointments**
- **Punctuality** is not rigid in Mexican daily life. However, punctuality is expected from foreigners and in business circles.
- **Business hours**: 9:00am to 6:00pm
- **Lunch**: between 2:00 and 3:30pm.

**Language**
- Spanish is Mexico’s official language.
- **English is quite widely spoken in business** circles and if you don’t speak Spanish, your hosts may be happy to hold the meeting in English. However, English is not universally spoken and an interpreter may be required.
- Making **an effort to learn Spanish**, even if it is simply a few phrases, will be highly appreciated by your Mexican counterparts. Your effort will be seen as a sign of interest and respect.
- All marketing literature, product manuals, warranty info, labeling, and anything you expect to leave with the contact should be in Spanish. Be sure to come prepared with all your relevant **information translated into Spanish**
Negotiating

- Mexican business atmosphere is friendly and easy-going.

- The pace at which meetings and negotiations held tends to be slower in Mexico than in the U.S.

- Be calm and patient. Include a small talk before discussing business.

- Business cards are used extensively. Give the card in the hands, do not put it or throw it on the table. The same with marketing material or brochures.

- Negotiations in Mexico are based on mutual trust and reliability.

- It is important to spend time building relationships.

- Make repeated visits and maintain contact after your trips.

- Mexicans avoid saying “no”. “Maybe” or “We will see” may mean “no”.

- Virtual meetings are well accepted from Mexican business decision makers.
Market Entry Strategies

• Mexican Presence: The best strategy to enter the Mexican market is to find a local representative or distributor; with this, buyers feel secure that initial training, spare parts and service will be provided.

• Local or Regional Representative: Due to regional concentration throughout Mexico, representation locally will yield better results than a single, nationwide distributor.

• Price: Price is important, but not necessarily the deciding factor.

• Spanish: Be prepared to provide brochures, catalogs, and printed materials in Spanish; keep websites international-user-friendly.
Services provided by GBP Mexico

- Export Counseling
- Market Research
- Market Entry Strategy
- Market Monitoring
- Qualified Representative/ Distributor/End Users Searches
- B2B Matchmaking preparation
- Pricing and competitive analysis.
- Customs and legal advices facilitation
- Designing and executing marketing programs for the Mexican market
- Translations and Interpretations
- Ongoing assistance to facilitate the success of our clients in Mexico.
- Representation Service
Contact Information

Thank You

Your entry to the Mexican market, it is as close of an email or call!

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General Director

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Multi-Sector Virtual Trade Mission to Mexico

June 21-July 2, 2021

Similar to an in-person trade mission, each mission participant will receive a customized schedule of B2B meetings to meet with prospective customers and business partners.

Benefits to Virtual Meetings:
• Wider footprint--target meetings in all of Mexico rather than one/two cities/regions in person.
• Flexible 2-week time frame.
• Reduced costs – no travel costs or time away from the office.
• Assistance with interpreters.

Virtual Mission Costs:
Participation Fee: US $1,000 per company*
Brief Market Research & Customized Appointment Setting Fee*: US $2,900

* Grant funding is available in many States to offset from 50-75% of mission costs. In New York, Ohio, Michigan and Pennsylvania the market research and appointment setting is complimentary.

Registration Deadline: April 23, 2021

http://www.gsgp.org/projects/international-trade/trade-missions/
South Korea & Japan Trade Mission

September 27-October 1, 2021

• Multi-Sector Trade Mission to South Korea and Japan Mission Participation Fee US $1,500 per company (each additional participant $500)

• South Korea US $2,970 ($0 in MI, OH & PA)
• Japan US $4,000 USD ($0 in MI)

Mission registration deadline: June 30, 2021

• Grant funding is available in many States to offset travel costs and mission fees.

Questions?