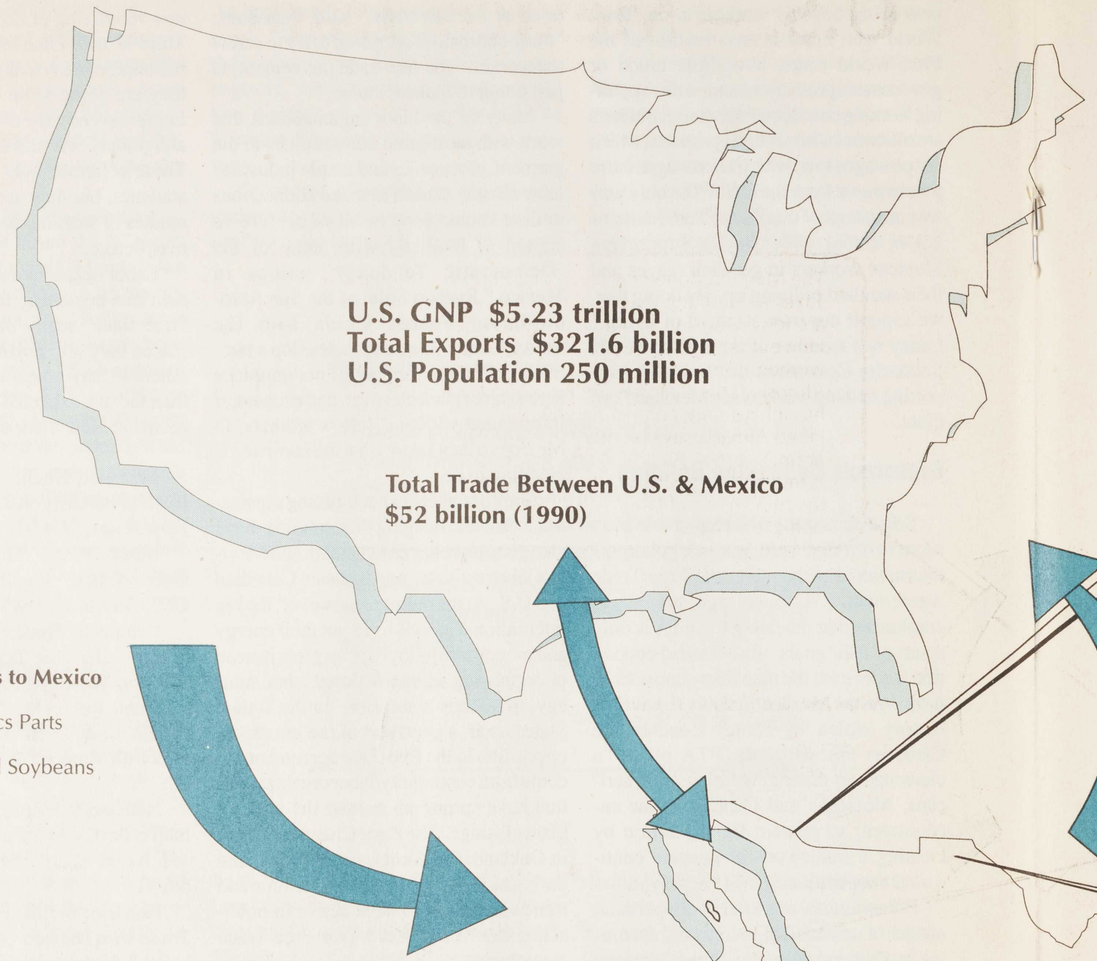
U.S. – Mexico Trade



U.S. GNP $5.23 trillion
Total Exports $321.6 billion
U.S. Population 250 million

Total Trade Between U.S. & Mexico
$52 billion (1990)

What the U.S. Sells to Mexico

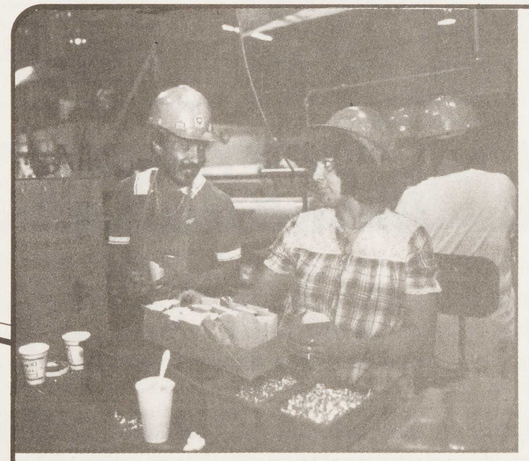
Auto and Electronics Parts
Refined Oils
Corn, Sorghum and Soybeans
Electronic Circuits

The Maquila Zone of Mexico that borders the southern United States is already a free trade area. Taxes are limited, unions almost non-existant and safety and environmental restrictions on business are few. Housing, schools, electricity, water and transportation services are lacking.
However, the zone has created thousands of jobs for Mexican workers, the majority of them women. About 68% of the workforce is female, and the turnover rate is extremely high.
Almost all the factories are foreign-owned, for the most part by U.S. companies. Mexican industry has a hard time competing with the higher-technology U.S. firms; Mexican economist Hugo Almada says bluntly "small and medium-sized national industries are going to go down the drain."
A free trade agreement would make the transfer of money and goods very easy, but restrictions on the movement of labor will still apply, so Mexican workers cannot emmigrate to the U.S. in search of higher wages.

What Mexico Sells to the U.S.

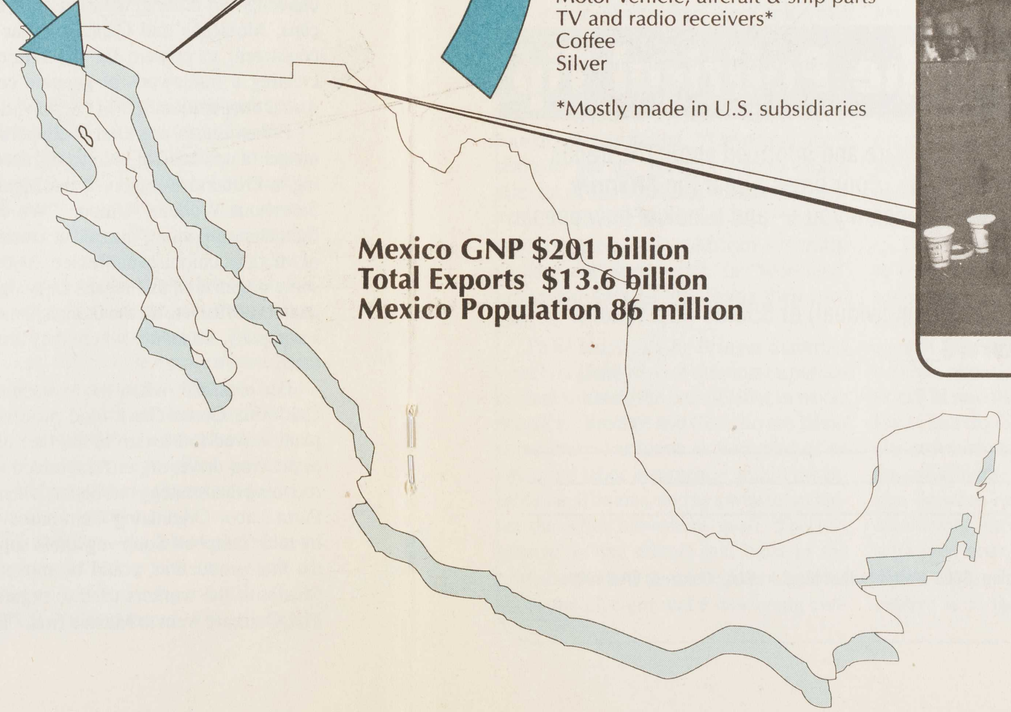
Crude Oil
Motor vehicle, aircraft & ship parts*
TV and radio receivers*
Coffee
Silver

*Mostly made in U.S. subsidiaries



While U.S. investment in the Maquila Zone has increased from $7.3 billion in 1982 to $19 billion in 1990, Mexican investment in the region is negligible, at about 1% of the total. Most factories import materials and parts from the U.S., assemble them into circuits or components, and re-export them to the United States. Mexican workers in northern Mexico are essentially U.S. employees.

Photo: Amy Zuckerman, Impact Visuals



Mexico GNP $201 billion
Total Exports $13.6 billion
Mexico Population 86 million

Average Hourly Wages

$$	1.63	Mexico
$$$$$$$$$$$$$$$	14.32	U.S.

Source: U.S. Commerce Department, Business Week.