

Introduction

Mexico is a country located in North America with a North Pacific Ocean, Gulf of Mexico, and Caribbean Sea coastline. Neighboring countries include Belize, United States, and Guatemala. Mexico is crossed by two mountain ranges known as Sierra Madre Oriental and Sierra Madre Occidental, which are the extension of the Rocky Mountains from northern North America. The government system is a federal republic; the chief of state and head of government is the president. Mexico has a free market economy in which the prices of goods and services are determined in a free price system. Mexico is a member of the Asia-Pacific Economic Cooperation (APEC), the North American Free Trade Agreement (NAFTA), and the Trans-Pacific Partnership (TPP).



Location: Northern America

Capital City: Mexico City (-6 GMT)

Chief of State: President Andres Manuel Lopez Obrador

Head of Govt.: President Andres Manuel Lopez Obrador

Currency: Mexican peso (MXN)

Major Languages: <p>Spanish only 93.8%, Spanish and indigenous languages 5.4%, indigenous only 0.6%, unspecified 0.2%; note -indigenous languages include various Mayan, Nahuatl, and other regional languages (2020 est.)
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Primary Religions: <p>Roman Catholic 78%, Protestant/evangelical Christian 11.2%, other 0.002%, unaffiliated (includes atheism) 10.6% (2020 est.)</p>

Calling Code: 52

Voltage: 127

Key Websites

Main Government Page: gob.mx

Commerce Ministry: gob.mx

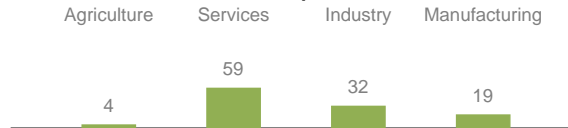
Export Promotion Agency: bancomext.com

Investment Promotion Agency: gob.mx

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$2,742.90 billion (2022)
GDP growth (annual %):	3.06% (2022)
GDP per capita, PPP (current international \$):	\$21,512.27 (2022)
External debt stocks, total (DOD, current US\$):	\$605,699,577,897.80 (2021)
Manufacturing, value added (% of GDP):	18.79% (2022)
Current account balance (BoP, current US\$):	-\$13.42 billion (2022)
Inflation, consumer prices (annual %):	7.90% (2022)
Labor force, total:	58,701,105 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	3.31% (2022)
Imports of goods and services (current US\$):	\$652.32 billion (2022)
Exports of goods and services (current US\$):	\$613.11 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	122 / 178
EY Globalization Index	37 / 60
Global Competitiveness Index	48 / 141
Global Enabling Trade Index	51 / 136
Global Manufacturing Competitiveness Index (GMCI)	8 / 40
Global Services Location Index	11 / 60
Index of Economic Freedom	61 / 176
International Logistics Performance Index (LPI)	51 / 160
Inward FDI Potential Index	57 / 139
KOF Index of Globalization	70 / 185
Networked Readiness Index (NRI)	76 / 139
Open Budget Index	5 / 114

Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: A4 - The business environment is acceptable. Corporate financial information is sometimes neither readily available nor sufficiently reliable. Debt collection is not always efficient and the institutional framework has shortcomings. Intercompany transactions may thus run into appreciable difficulties in the acceptable but occasionally unstable environments rated A4.

Strengths

- Geographic proximity to the U.S. economy
- Membership of USMCA and many other agreements
- Substantial industrial base
- Prudent fiscal and monetary policies
- Free-floating exchange rate
- Adequate foreign exchange reserves
- Large population and relatively low labor cost

Weaknesses

- High dependence on the US economy
- Rising criminality linked to drug cartels and trafficking, high corruption level surfacing on poverty and inequality
- Weaknesses in transport, health and education
- High informality in the economy (55%) and the job market
- Narrow tax base, with tax revenues representing 13% of GDP, depleted sovereign funds
- Oil sector and PEMEX undermined by years of underinvestment

U.S. Embassy

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