

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-MEXICO BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. Mexico is the largest country in North America. It is bordered to the north by the USA and to the south by Guatemala and Belize. The Gulf of Mexico and the Caribbean Sea lie to the east, and the Pacific Ocean and Gulf of California to the west. Total land boundaries: 4,353 km. bordered with Belize 250 km, Guatemala 962 km and USA 3,141 km. Coastline border 9,330 km. Mexico is a member of the UN (and most UN System organizations), WTO, BIS, OECD, OAS, Inter-American Development Bank (IADB), LAIA, ACS, APEC and NAFTA. A free trade agreement was signed with the European Union in 1999.

2. As of April 2025, Mexico has the 15th largest nominal GDP (USD 1.693 trillion), the 13th largest by purchasing power parity (PPP) (USD3.396 trillion), and a PPP-adjusted GDP per capita of USD 25,463. The World Bank reported in 2023 that the country's gross national income in market exchange rates was the second highest in Latin America after Brazil at USD 1,744,711.4 million. Mexico is established as an upper-middle-income country. After the slowdown of 2001 the country recovered and grew 4.2, 3.0 and 4.8 percent in 2004, 2005 and 2006 respectively even though it is considered to be well below Mexico's potential growth. By 2050, Mexico could potentially become the world's fifth or seventh-largest economy. As per IMF Staff Concluding Statement of the 2025 Article IV Mission September 19, 2025 with Mexico, "Growth is expected to slow in 2025. Fiscal consolidation, still-restrictive monetary policy and trade tensions with the U.S. have all weighed on consumption and investment, while exports have shown resilience. Mexico's record of very strong policies and policy frameworks has also proved to be an important asset as the country navigates the uncertain economic environment. Growth is expected to accelerate somewhat in 2026 although the effect of tariffs and trade uncertainty will continue to be felt. Headline inflation is moderating and expected to converge to Mexico's 3-percent target in the second half of 2026".

A snapshot of Mexico's selected economic indicators is as under.

TABLE 1

	Economic Indicators					
	2021	2022	2023	2024	2025	2026
National Accounts (In Real Terms)						
GDP	6.0	3.7	3.4	1.4	1.0	1.5
Consumption	7.1	4.4	4.0	2.6	0.5	1.8
Private	8.4	4.8	4.3	2.8	0.4	1.7
Public	-0.5	2.0	2.3	1.6	1.1	2.4
Investment	11.4	7.3	15.7	3.3	-5.1	1.2
Fixed	10.5	7.5	16.7	3.4	-5.0	1.2
Private	12.6	7.5	15.7	4.5	-3.6	1.1
Public	-3.5	7.2	24.5	-5.1	-16.6	1.4
Inventories 1/	0.2	0.0	-0.2	0.0	0.0	0.0
Exports of goods and services	7.1	9.5	-7.2	3.3	6.6	1.0
Imports of goods and services	15.7	8.6	3.7	2.8	1.6	2.6
GDP per capita	5.4	2.9	2.4	0.6	0.2	0.8
External Sector						
External current account balance (in percent of GDP)	-0.3	-1.3	-0.7	-0.9	-0.2	-0.3
Exports of goods, f.o.b. 2/	18.6	16.7	2.6	4.2	3.5	0.8

Imports of goods, f.o.b. 2/	32.0	19.8	-0.1	5.1	1.6	1.4
Net capital inflows (in percent of GDP) 3/	-1.1	-0.9	-0.9	-1.4	-0.8	-0.8
Terms of trade (goods, improvement +) 4/	-1.0	-3.3	14.2	-0.5	-3.0	1.0
Gross international reserves (in billions of U.S. dollars)	207.7	201.1	214.4	232.1	242.7	252.5
Exchange Rates						
Real effective exchange rate (avg, appreciation +) 4/	5.9	5.4	16.3	0.2
Nominal exchange rate (MXN/USD) (eop, appreciation +)	-3.2	5.7	12.8	-19.8
Inflation and Employment						
Consumer prices (end-of-period)	7.4	7.8	4.7	4.2	3.7	3.0
Core consumer prices (end-of-period)	5.9	8.3	5.1	3.7	3.6	3.0
National unemployment rate (annual average)	4.1	3.3	2.8	2.7	2.9	3.1
Money and Credit						
Financial system credit to non-financial private sector 5/	4.2	10.9	8.7	11.3	4.0	5.0
Broad money	9.5	7.3	11.0	13.8	5.5	5.8
Public sector finances (In percent of GDP) 6/						
General government revenue	22.9	24.2	24.2	24.6	24.2	24.2
General government expenditure	26.7	28.5	28.5	30.3	28.5	28.3
Overall fiscal balance	-3.7	-4.3	-4.3	-5.7	-4.3	-4.1
Structural primary balance	1.1	1.0	1.3	-0.1	1.4	1.5
Fiscal impulse 7/	0.3	0.0	-0.3	1.4	-1.5	-0.1
Gross public sector debt 8/	56.7	53.8	52.6	58.3	58.9	59.9
Memorandum Items						
Nominal GDP (billions of pesos)	26,690	29,526	31,936	33,981	36,085	38,299
Output gap (in percent of potential GDP)	-2.0	0.0	1.4	0.7	-0.2	-0.1

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the four major merchandise export partners of Mexico are **United States, Canada, China and Germany**. On the other hand five major import partners of Mexico are **United States, China, Korea RP, Germany and Japan**. Major five exported goods of Mexico are (i) Petroleum oils and oils obtained from bituminous (ii) Digital process units whether or not presented, (iii) Automobiles with reciprocating piston engine, (iv) Gas powered trucks with a GVW and (v) Television receivers including video monitors. On the other hand major five imported goods of Mexico are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Monolithic integrated circuits, digital, (iii) Parts and accessories of automatic data process (iv) Natural gas in gaseous state and (v) Transmission apparatus, for radioteleph incorpo.

4. Mexico's total exports in 2020 were of the order of USD 416,982 million. It scaled up to USD 618,982 million in 2024. During the period 2020 to 2024, Exports from Mexico increased maximum by 18.58% in

the year 2021 compared to 2020, followed by another 16.84% increase in 2022 over 2021. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 10.38%.

5. Mexico's total imports in 2020 were of the order of USD 382,980 million and which has touched USD 625,874 million in 2024. Imports of Mexico jumped by 32.05% in 2021 compared to 2020. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 13.06%.

6. Mexico had an overall Balance of Trade surplus in 2020 but from 2021 to 2024 Mexico faced a deficit balance of trade and touched up to USD 26,884 million in 2022. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 11.69%.

A snapshot of Mexico's overall Trade Statistics is presented in Table 2 and Figure 1 below.

TABLE 2

**MEXICO'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2020 TO 2024**

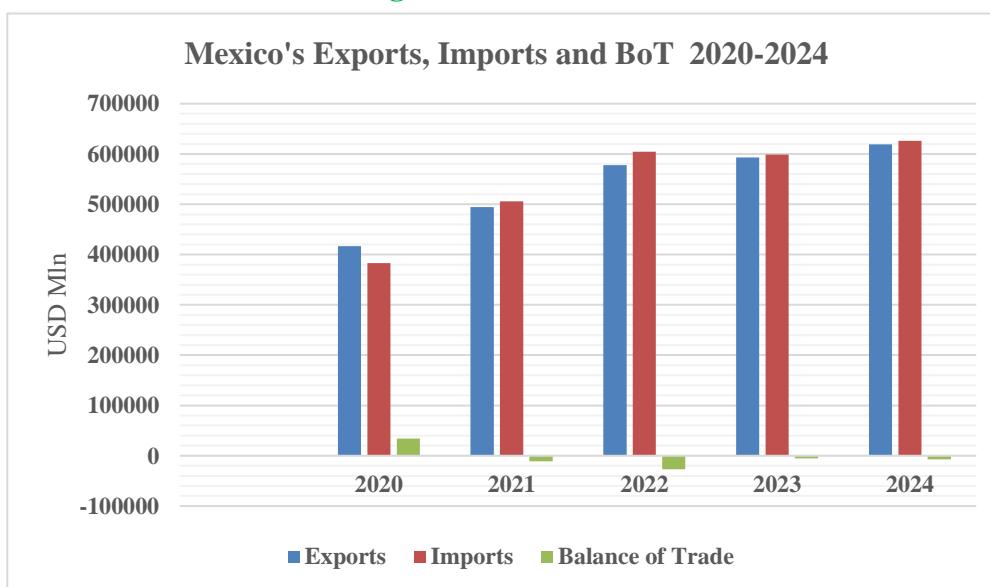
(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	416982		382980		7,99,962		34002
2021	494461	18.58	505716	32.05	10,00,177	25.03	-11255
2022	577731	16.84	604615	19.56	11,82,346	18.21	-26884
2023	592997	2.64	598475	-1.02	11,91,472	0.77	-5478
2024	618982	4.38	625874	4.58	12,44,856	4.48	-6892
Annual Compound Growth Rate		10.38			13.06		11.69

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and Mexico have a strong relationship with a "Strategic Partnership" and a High-Level Group on Trade, Investment, and Economic Cooperation. India and Mexico had bilateral trade of USD 10206.56 million in 2024-25, driven by India's growing exports to Mexico, particularly in the automobile sector. India consistently holds a trade surplus, and the countries have growing investments in both directions, with Indian companies in sectors like IT and pharmaceuticals operating in Mexico and Mexican investment in India.

Mexico ranked 21st as an export destination of India in FY 2023-24. India exported to Mexico almost 1.31% of its total export value in FY 2024-25. In the same financial year imports from Mexico was 0.62% of India's total import value. Almost 0.76% of India's total international trade value of goods was between India and Mexico as recorded in DGCI&S database for FY 2024-25. Mexico was the 31st major trading partner of India in FY 2024-25.

8. Indo-Mexico total volume of bilateral trade in FY 2020-21 was of the order of USD 5,932.59 million. It scaled up to USD 10,206.56 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 was of the order of 14.53%.

9. From the available figures that between 2020-21 and 2024-25, it appears that India had a surplus Balance of Trade with Mexico. Exports from India to Mexico increased by 43.36% in FY 2021-22 over 2020-21. The annual average compound rate of growth of Exports was 16.82%. On the other hand, imports from Mexico to India remarkably increased by 49.27% in FY 2021-22 over FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 11.87%.

A snapshot of India's merchandise trade statistics w.r.t. Mexico is presented in Table 3 & Figure 2

TABLE - 3
INDIA'S MERCHANTISE EXPORTS & IMPORTS w.r.t. MEXICO
FY 2020-21 to 2024-25

(Value in USD Million)

Year	Exports from India to Mexico	Percentage Growth in Exports	Imports from Mexico to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	3086.68		2845.91		5932.59		240.77
2021-22	4425.21	43.36	4248.04	49.27	8673.25	46.20	177.17
2022-23	5196.38	17.43	3867.56	-8.96	9063.94	4.50	1328.82
2023-24	5324.23	2.46	3104.27	-19.74	8428.50	-7.01	2219.96
2024-25	5748.99	7.98	4457.57	43.59	10206.56	21.10	1291.42

**Annual
Compound
Growth
Rate**

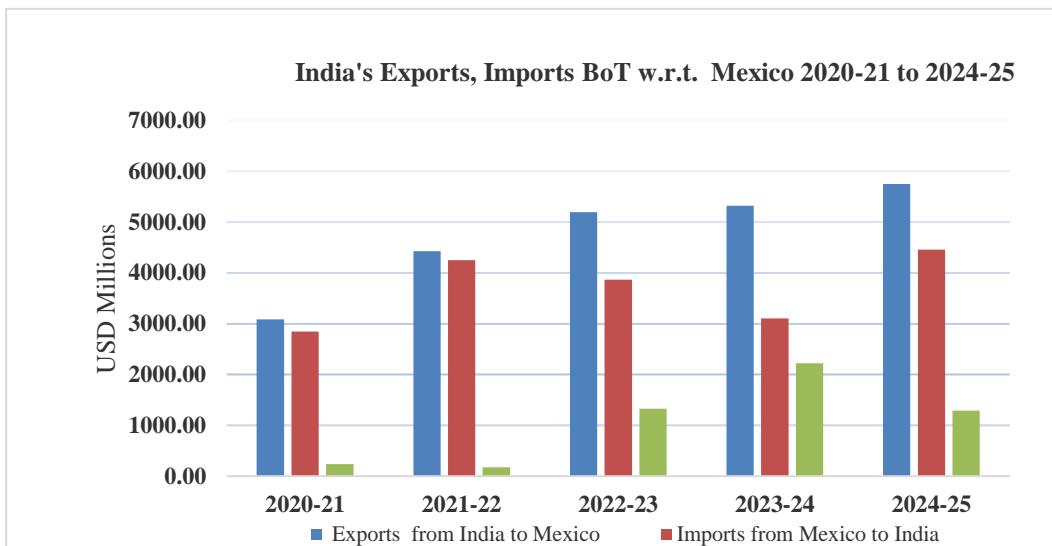
16.82

11.87

14.53

NOTE : Figures relate to Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I

Figure 2



10. **Additionally, from Tables 4 & 5 presented below the following are stated:**

- a. **Motor Vehicle, Auto Components and Two and Three Wheelers**, occupied the top three slots in India's exports to Mexico in the year 2024-25. **Motor Vehicle/ Cars** occupied 16.61% share of India's total exports to Mexico in FY 2024-25.
- b. **Petroleum Crude; Telecom Instruments** and **Gold** were the three major commodities in India's imports list from Mexico in the year 2024-25. India imported **Petroleum Crude** from Mexico with 69.98% share of total imports from Mexico in 2024-25.

TABLE -4
INDIA'S MAJOR ITEMS OF MERCANDISE EXPORTS TO MEXICO
2020-21 TO 2024-25 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020- 21	2021- 22	2022- 23	2023- 24	2024- 25	21-22 over 2020- 21	22-23 over 2021- 22	23-24 over 2022- 23	24-25 over 2023- 24
1	Motor Vehicle/ Cars	864.42	961.15	1032.08	906.57	955.04	11.19	7.38	-12.16	5.35
	Share in total export	28.00	21.72	19.86	17.03	16.61				
2	Auto Components/Parts	207.22	316.39	341.70	404.01	444.61	52.68	8.00	18.24	10.05
	Share in total export	6.71	7.15	6.58	7.59	7.73				
3	Two And Three Wheelers	89.82	174.78	195.09	280.98	390.25	94.59	11.62	44.03	38.89
	Share in total export	2.91	3.95	3.75	5.28	6.79				
4	Aluminium Products Of Aluminium	172.83	406.15	663.35	302.25	383.64	135.00	63.33	-54.44	26.93
	Share in total export	5.60	9.18	12.77	5.68	6.67				
5	Telecom Instruments	13.22	20.42	44.31	241.48	355.37	54.46	116.99	444.98	47.16
	Share in total export	0.43	0.46	0.85	4.54	6.18				
6	Indl. Machinery For Dairy Etc	85.79	157.60	197.35	241.41	260.06	83.70	25.22	22.33	7.73
	Share in total export	2.78	3.56	3.80	4.53	4.52				
7	Drug Formulations Biologicals	113.56	165.89	154.40	211.13	193.83	46.08	-6.93	36.74	-8.19
	Share in total export	3.68	3.75	2.97	3.97	3.37				
8	Organic Chemicals	143.90	193.56	147.41	121.90	187.80	34.51	-23.84	-17.31	54.06
	Share in total export	4.66	4.37	2.84	2.29	3.27				
9	Products Of Iron And Steel	67.42	98.80	148.29	175.47	176.53	46.54	50.09	18.33	0.60
	Share in total export	2.18	2.23	2.85	3.30	3.07				
10	Electric Machinery And Equipments	131.89	100.39	99.37	129.87	164.72	-23.88	-1.02	30.69	26.83
	Share in total export	4.27	2.27	1.91	2.44	2.87				
	Total export to MEXICO	3086.68	4425.21	5196.38	5324.23	5748.99	43.36	17.43	2.46	7.98

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM MEXICO
2020-21 TO 2024-25 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Petroleum Crude	1974.42	3419.57	2844.70	1873.27	3119.22	73.19	-16.81	-34.15	66.51
	Share in total import	69.38	80.50	73.55	60.34	69.98				
2	Telecom Instruments	234.55	147.72	201.17	311.65	285.31	-37.02	36.18	54.92	-8.45
	Share in total import	8.24	3.48	5.20	10.04	6.40				
3	Gold	191.97	146.88	162.19	142.59	206.17	-23.49	10.42	-12.08	44.59
	Share in total import	6.75	3.46	4.19	4.59	4.63				
4	Computer Hardware Peripherals	72.07	67.16	105.64	108.03	95.99	-6.81	57.30	2.26	-11.15
	Share in total import	2.53	1.58	2.73	3.48	2.15				
5	Paint, Varnish And Allied Products	40.44	50.61	72.44	71.87	72.28	25.15	43.13	-0.79	0.57
	Share in total import	1.42	1.19	1.87	2.32	1.62				
6	Electronic Components	4.39	8.30	17.65	103.49	65.88	89.07	112.65	486.35	-36.34
	Share in total import	0.15	0.20	0.46	3.33	1.48				
7	Plastic Raw materials	19.18	23.71	53.48	26.75	54.36	23.62	125.56	-49.98	103.21
	Share in total import	0.67	0.56	1.38	0.86	1.22				
8	Other Misc. Engineering Items	11.05	13.30	26.67	40.89	53.75	20.36	100.53	53.32	31.45
	Share in total import	0.39	0.31	0.69	1.32	1.21				
9	Petroleum Products	0.08	0.08	0.37	0.12	50.82	0.00	362.50	-67.57	42250
	Share in total import	0.00	0.00	0.01	0.00	1.14				
10	IC Engine And Parts	6.39	26.54	38.08	38.49	49.32	315.34	43.48	1.08	28.14
	Share in total import	0.22	0.62	0.98	1.24	1.11				
	Total import from MEXICO	2845.91	4248.04	3867.56	3104.27	4457.57	49.27	-8.96	-19.74	43.59

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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