

Mexico's growth drivers over the next 25 years

Competitiveness: Catching the next wave

With a thriving manufacturing base, ample energy reserves, a growing labor pool and sizeable access to global markets, Mexico's industry outlook looks bright, provided the government carries out needed economic reforms and can rebuild trust.

Manufacturing



Poised to be Mexico's strongest growth sector

- Accounts for almost 50 percent total FDI, 80 percent of total trade.
- Boosted growth in electronic and aerospace industries.
- Several U.S. companies are relocating their factories to Mexico.

Automobile



Seventh-largest auto producer in the world, projected to rise to fifth-largest by 2020

- Additional \$15 billion investment in automotive capacity anticipated before 2020.
- High-priority sector in Mexico's growth plans.
- Many global automakers setting up operations in Mexico, thanks to lower-cost labor, leading-edge technology and production.

Energy



Lower oil prices and energy costs could propel this sector's growth

- U.S. natural gas exports to Mexico doubled between 2010–2013.
- Influx of cheap gas allows for significant reductions in electricity rates, improving competitiveness.

Telecommunications



Government reforms critical for innovation, economic growth in this sector

- Newly implemented broadband reforms open competition and reduce costs for consumers, while undermining long-entrenched media monopolies.

Tourism



Additional employment and investment could transform this industry as a significant growth driver

- Mexico ranked tenth worldwide in tourism, with visitors surpassing 29 million in 2014.
- Medical tourists expected to reach 650,000 by 2020.
- Growth in housing market and retirees' economy fuelled by U.S. economic recovery.

Policy



- Rapidly rising working-age population and strong demand for technical skills in the workforce position education as a top government priority, critical to Mexico's economic growth.
- Mexico's vast informal economy, often regulated with petty corruption, poses challenges for combating bribery and corruption.
- Recent government procurement corruption cases drew attention for more stringent anti-corruption policies, which Mexico's government is taking steps to combat.