The growing importance of Mexico in North American Auto Production

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Within N. America, gains for Mexico

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>16</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Mexico</td>
<td>6</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>U.S.</td>
<td>78</td>
<td>70</td>
<td>65</td>
</tr>
<tr>
<td>N. America</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Share of light vehicle production
Volume up strongly, Detroit share down

Light vehicle production in Mexico

Production has increased by 2.4 million units since 1985
## Big 5 producers in Mexico

<table>
<thead>
<tr>
<th>Company</th>
<th>Share of Mexican LV production</th>
<th>Leading product</th>
<th>Model Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM</td>
<td>20%</td>
<td>Silverado/Sierra</td>
<td>270,000</td>
</tr>
<tr>
<td>Ford</td>
<td>16%</td>
<td>Fusion</td>
<td>285,000</td>
</tr>
<tr>
<td>Chrysler</td>
<td>15%</td>
<td>Ram Pickup</td>
<td>181,000</td>
</tr>
<tr>
<td>VW</td>
<td>21%</td>
<td>Jetta</td>
<td>497,000</td>
</tr>
<tr>
<td>Nissan</td>
<td>24%</td>
<td>Versa/Tiida</td>
<td>297,000</td>
</tr>
</tbody>
</table>
Production mix varies

Car share in light vehicle production in Mexico

VW

Nissan

Detroit 3
Exports drive Mexico’s growth

Mexico’s light vehicle exports

Exports have increased by 2.3 million units since 1985
Why Mexico as export base?

- Low labor cost: Mexico vs China
- Exchange rate
- Trade agreements
- Growing demand for small cars
- Geography
  - US vs Mexico
  - Asia vs Mexico
## Big 5 exporters from Mexico

<table>
<thead>
<tr>
<th>Company</th>
<th>Share of its Mexican production exported</th>
<th>Main segment</th>
<th>Share of company exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM</td>
<td>82%</td>
<td>Pickup</td>
<td>62%</td>
</tr>
<tr>
<td>Ford</td>
<td>96%</td>
<td>Midsize car</td>
<td>66%</td>
</tr>
<tr>
<td>Chrysler</td>
<td>92%</td>
<td>Pickup</td>
<td>40%</td>
</tr>
<tr>
<td>VW</td>
<td>86%</td>
<td>Small car</td>
<td>100%</td>
</tr>
<tr>
<td>Nissan</td>
<td>68%</td>
<td>Small car</td>
<td>87%</td>
</tr>
</tbody>
</table>
Exports go north and south

Vehicle exports from Mexico by destination

<table>
<thead>
<tr>
<th>Region</th>
<th>2012 export share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAFTA</td>
<td>71%</td>
</tr>
<tr>
<td>Latin America</td>
<td>16%</td>
</tr>
<tr>
<td>Europe</td>
<td>9%</td>
</tr>
<tr>
<td>Africa</td>
<td>2%</td>
</tr>
<tr>
<td>Asia</td>
<td>2%</td>
</tr>
</tbody>
</table>

In 2012, 83% (2.38 million units) of Mexico’s LV production was exported.
Mexico’s auto footprint is growing

Four LV assembly plants under construction (in red), all by overseas producers
Summary

• Within North America, Mexico’s share of light vehicle production continues to grow.
• Mexico plays a different role for Detroit and overseas producers.
• Nearly all of Mexico’s incremental production volume since 1985 is due to growth in exports.
• Foreign headquartered producers are driving the current increase in Mexico’s vehicle exports.