

Mexico Exports to US Surging

December 5, 2022

Summary:

- Boats, vehicles/vehicle parts, and computer parts top main exports
- 98% rise in vessel TEU capacity to US East Coast ports from April to October
- Over 40% of US vehicle parts' exports heading to Mexico in 2022



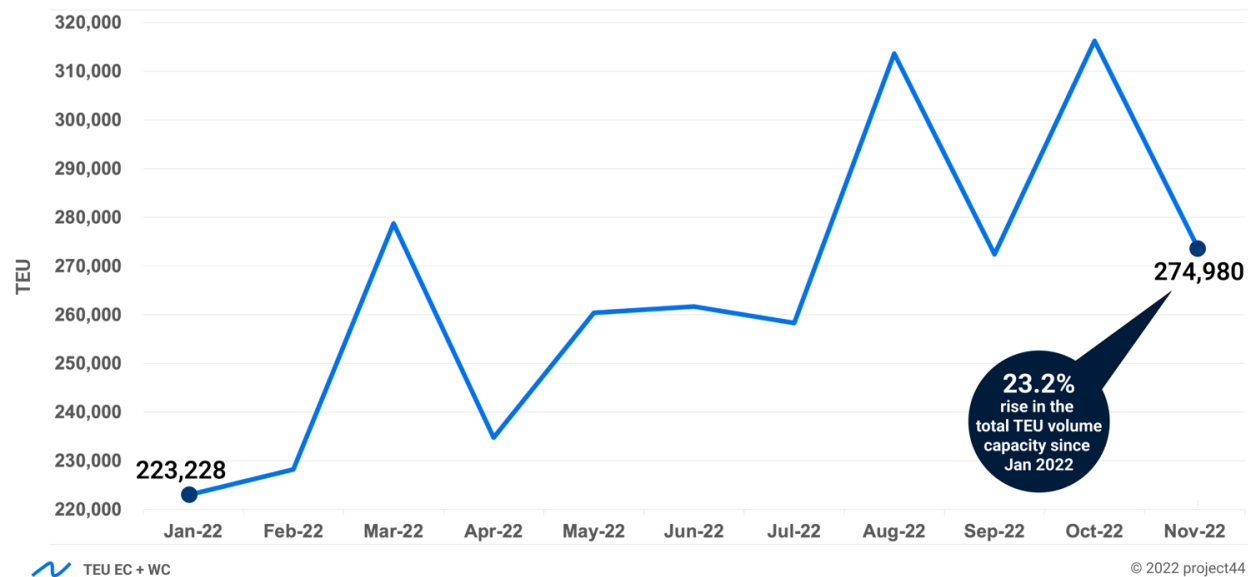
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Surging exports

Mexico, the second-largest economy in Latin America after Brazil, is witnessing an export boom with boats, vehicles, vehicle parts, and computer parts in high demand in the US. According to a recent [Forbes article](#), exports of motor vehicle parts are returning to pre-pandemic levels this year. According to project44 data, deployed vessel TEU capacity from Mexico to U.S. ports increased by 23.2% between January and November 2022. Deployed vessel TEU capacity sent to US East Coast ports rose 98% from 97,674 TEUs in April 2022 to 193,420 TEUs in October 2022. A peak of 195,142 vessel TEU capacity was last recorded before the pandemic in May 2019.

TEU Volume Capacity from Mexico to US East Coast + West Coast

Mexico is witnessing an export boom with a significant rise in TEU Volume capacity sent to the US since Jan 2022



In the first ten months of this year, [Mexico's exports](#) rose by 19.5% YoY to US\$479.56 B. The driving factors were exports of manufactured goods and oil. Over the same period, imports to Mexico rose by 22.8%, which resulted in a trade deficit of \$27.309 B. Mexico exports and imports a majority of its goods to and from the United States.

This September, [exports of boats](#) built in Mexico increased by 266% YoY. This was the fastest growing item among Mexican exports and alone worth over \$100 million, according to Mexico Central Bank data released last week. Computer parts and passenger cars topped the list of most valuable export items in September at about \$4.7 B each.

Motor vehicle parts

In 2022, Mexico will account for [over 40%](#) of US exports of motor vehicle parts, which topped \$30 B for the first time since before the pandemic. This makes Mexico the first country since Canada in 2014 to account for such a high proportion of US motor vehicle parts' exports. The leading gateway for these exports is Port Laredo, Texas. The fact that Mexico is now home to assembly plants for GM, Toyota, BMW, Honda, Volkswagen, Mazda and others accounts for its position as the number one importer of US-made motor vehicle parts.

Outlook

The [Banorte](#) financial group of Mexico expects that trade between Mexico and the United States will slow towards the end of 2022 and through the beginning of 2023. A possible explanation for this slowdown is the fact that global monetary tightening by central banks is likely to cause economic activity to weaken. There is, however, every reason to assume that trade between the US and Mexico will continue to grow since the World Bank expects the Mexican economy to grow by 2.1% in 2022 and 2023.

Definitions of terms used in this report

- **Vessel TEU Capacity** = is the accumulated TEU carrying capacity of the vessels deployed by carriers calling at the various ports around the world.

About project44

project44 is on a mission to make supply chains work. As the supply chain connective tissue, project44 operates the world's most trusted end-to-end visibility platform that tracks more than 1 billion shipments annually for over 1,200 of the leading brands, including top companies in manufacturing, automotive, retail, life sciences, food & beverage, and oil, chemical & gas. Using project44, shippers and carriers across the globe drive greater predictability, resiliency and sustainability.

The undisputed leader in the market, project44 was named the Leader in the Gartner Magic Quadrant, #1 in FreightWaves FreightTech 2022, the Customer's Choice in Gartner Peer Insights Voice of the Customer report. project44 is headquartered in Chicago with a diverse team spanning 17 global offices. To learn more, visit www.project44.com.

For questions or comments:

press@project44.com

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