

ANALYSIS OF MEXICAN IMPORTS

AN INDIA'S EXPORT PERSPECTIVE

A COMPREHENSIVE REPORT ON INDIA'S POTENTIAL TO TAP THE MEXICAN MARKET.
COMPARITIVE ANALYSIS OF INDIAN PRODUCTS AND PRICES VIS A VIS MAJOR EXPORTING
COUNTRIES TO MEXICO ENJOYING PREFERENTIAL TREATMENTS.

Executive summary of Mexican Imports: An India's exports prospect

1. As the economic scenario of Mexico is improving, India has an opportunity of strengthening the trade relations with Mexico especially focusing on exporting Indian manufacturing products which already has presence in Mexican markets. Moreover Chinese economy is dwindling with lowest levels of global exports amalgamated by huge debt to GDP ratio and so far the lowest levels of growth rate in GDP.
- 2.
3. Major dominance is of USA in Mexican markets followed by China and Japan. Trade relation between USA and Mexico was concrete since the nascent phase of Mexican globalization. India's share in Mexicans imports is meagerly 1% making us the 13th largest exporter of Mexico where the first two economies grabs two-third of Mexican market.
4. Bilateral trade between India and Mexico is burgeoning swiftly in recent years, at double-digit rates consistently. It touched 6.45 USD billion in 2014 and 5.50 USD billion in 2015. This fall of 0.95 USD billion in the bilateral trade is because of fall in the Indian imports of crude oils from Mexico.
5. There is a continuous intensification in India's exports to Mexico in the past six years. In 2014-15 Indian exports were USD 2.86 Billion

and in 2015 (CY) as per ITC Trade database, Mexican imports from India was USD 2.76 Billion.

6. This rise in Mexican imports is due to rapid escalation in exports of aluminium, copper and articles, pharmaceuticals, automobiles, electrical, electronic equipment products from India in past couple of years.
7. As per the figure below the degree of concentration of Mexican imports have diluted in the past two decade as the value of entropy index has increased a bit from 0.09 in 1995 to 0.15 with still the major hold of NAFTA.
8. China and South Korea dominate in Mexican imports because of their strong comparative advantage in producing and exporting electrical, electronic equipment, motor vehicles, automobiles, storage devices, machinery and instruments, optical devices and instruments products globally and these products are imported by Mexico in significant values.
9. Trade Intensity Index of USA-Mexico is 5.19 which clearly explains the dominance of US exports to Mexico as the absolute values are also humongous.

10. The value of entropy index is 0.153 which is close to zero signaling the unequal import structure of Mexico dominated by selected economies like USA, China, South-Korea and Japan.
11. Indian scenario with respect to Mexican imports is quite dismal, as the presence of India in Mexican markets is at miniscule level. Our presence is infinitesimal even in those product categories where we have comparative advantage globally.
12. From 2000 to 2015 Value of Intra Industry Trade has reduced from 0.69 to 0.42 indicating inter industry trade (no common industry trade) signaling we have potential to export those products which Mexico imports from the rest of the world in a significant quantum.
13. Tariff structures on food and agricultural products applied to India are little higher especially to the products interest to India from exports point of view as compared to tariff imposed on economies which have FTAs and PTAs with Mexico
14. Cost of production of agricultural and dairy products in India are significantly higher compared with USA and Canada with few exceptions¹ especially to the products interest to India from exports point of view like exportation cost of rice²,

¹ USA's per unit exportation cost of ground nuts to Mexico is \$1282, for India it is \$1224, for China it is \$1581, for Argentina it is 1282.

India is also competitive in Cashew nuts, without shell, fresh or dried compared to Brazil.

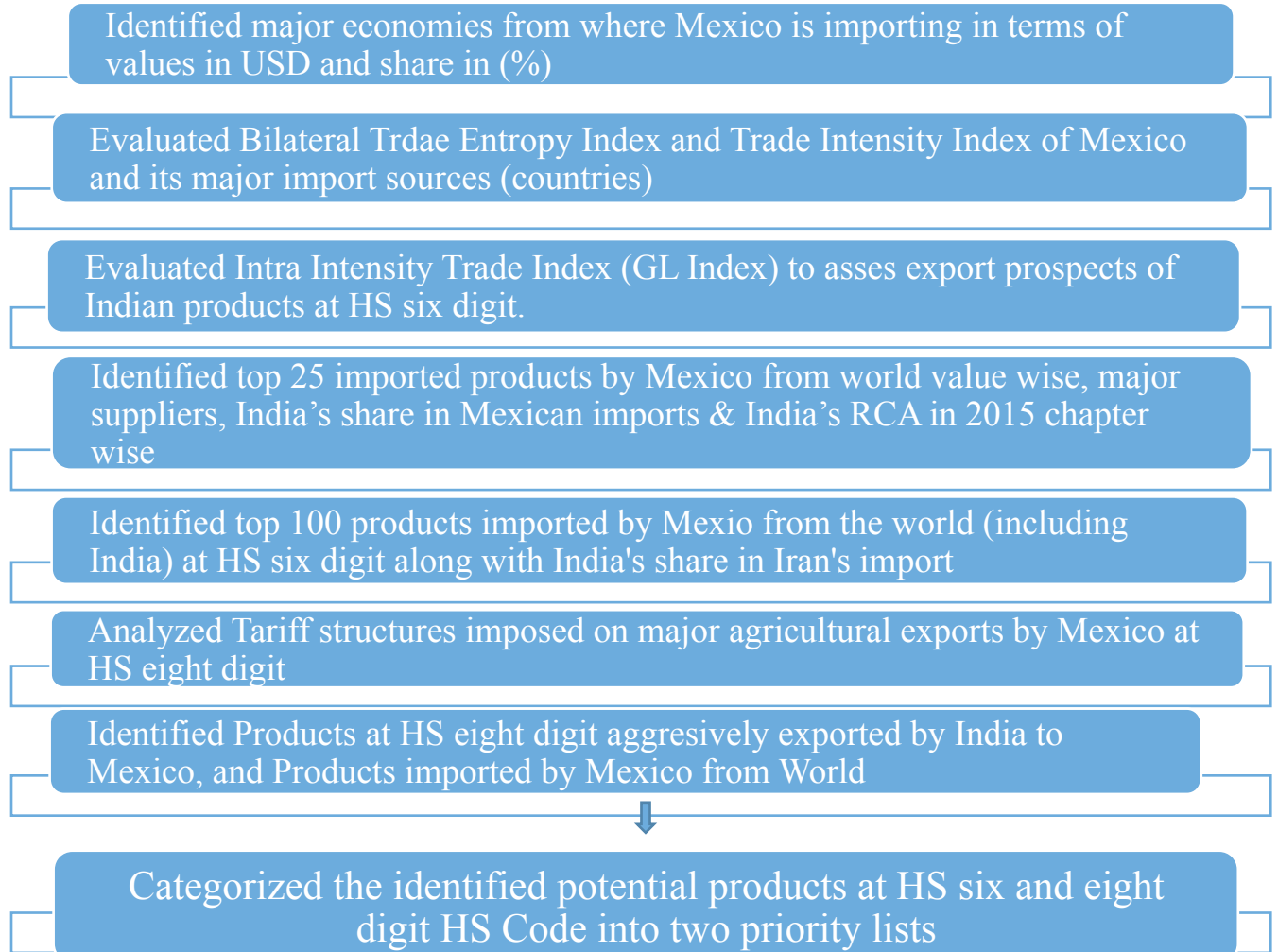
² USA's exportation cost of rice to Mexico is \$455 per ton and for India this cost is \$845 which makes us uncompetitive and thus keeping us out of Mexican rice market

Source: ITC, Trade Map, 2016

Objective and Methodology

Objective: To examine Indian's position in terms of exports to Mexico and identify the potential commodities at six and eight digit HS Code in different strata which can be exported to Mexico

Methodology



- Step A: Imports by Mexico from India and other major economies (India's potential competitors) – product wise identification.
- Step B: Bilateral Trade Entropy Index evaluated to bring out the inequality in the import structure of Mexico
- Step C: Trade Intensity Index evaluated to bring out the dominance of NAFTA especially USA in Mexico's imports.
- Step D: Intra Industry Trade Index calculated to see the future potential of exporting those products for which Mexico is a major importer.

1. Introduction

The Mexican economy is the 15th largest in the world in GDP (nominal terms) and the 11th largest by purchasing power parity, according to the International Monetary Fund with high HDI score of 0.756. After growing by 2.3% to 2.5% in 2015, real GDP is anticipated to grow in excess of 3% in both 2016 and 2017. The economy will benefit from a sturdier US economy, the downgrading of the peso, and palliate of problems in the construction sector. The application of important structural reforms has also mollified the business climate. Consequently, investment is picking up, and manufacturing activity is gradually speed up, bolstering a robust formal job market, enhancing household incomes and consumption growth.

As the economic scenario of Mexico is improving, India has an opportunity of strengthening the trade relations with Mexico especially focusing on exporting Indian manufacturing products which already has presence in Mexican markets. Moreover Chinese economy is dwindling with lowest levels of global exports amalgamated by huge debt to GDP ratio and so far the lowest levels of growth rate in GDP. It is anticipated that Chinese economy will take appreciable time to revive its economy.

Table1: Economic Profile of Mexico in 2015

Population	125.4 Millions
GDP at official exchange rate	1.327 Trillion USD
GDP at PPP	1.903 Trillion USD
Growth rate of GDP	2.3 - 2.6%
GDP Per Capita (Current US \$)	10, 326 USD
GDP Per Capita at PPP	17, 314 USD
Growth rate of GDP Per Capita (annual %)	0.89
Merchandise Trade as a % of GDP	62.51 %
Cost to import (US\$ per container)	1887.60
Cost to export (US \$ per container)	1499.30
Time to import (days)	11.2
Time to export (days)	12.0
HH Market Concentration Index	0.54
Index of Export Market Penetration	11.91
Ease of doing Business rank	38
HDI Rank and Score of Mexico	74 th Rank with 0.756 HDI Score
Adult Literacy Rate	94.2%
Population in Multi-dimensional poverty	6%

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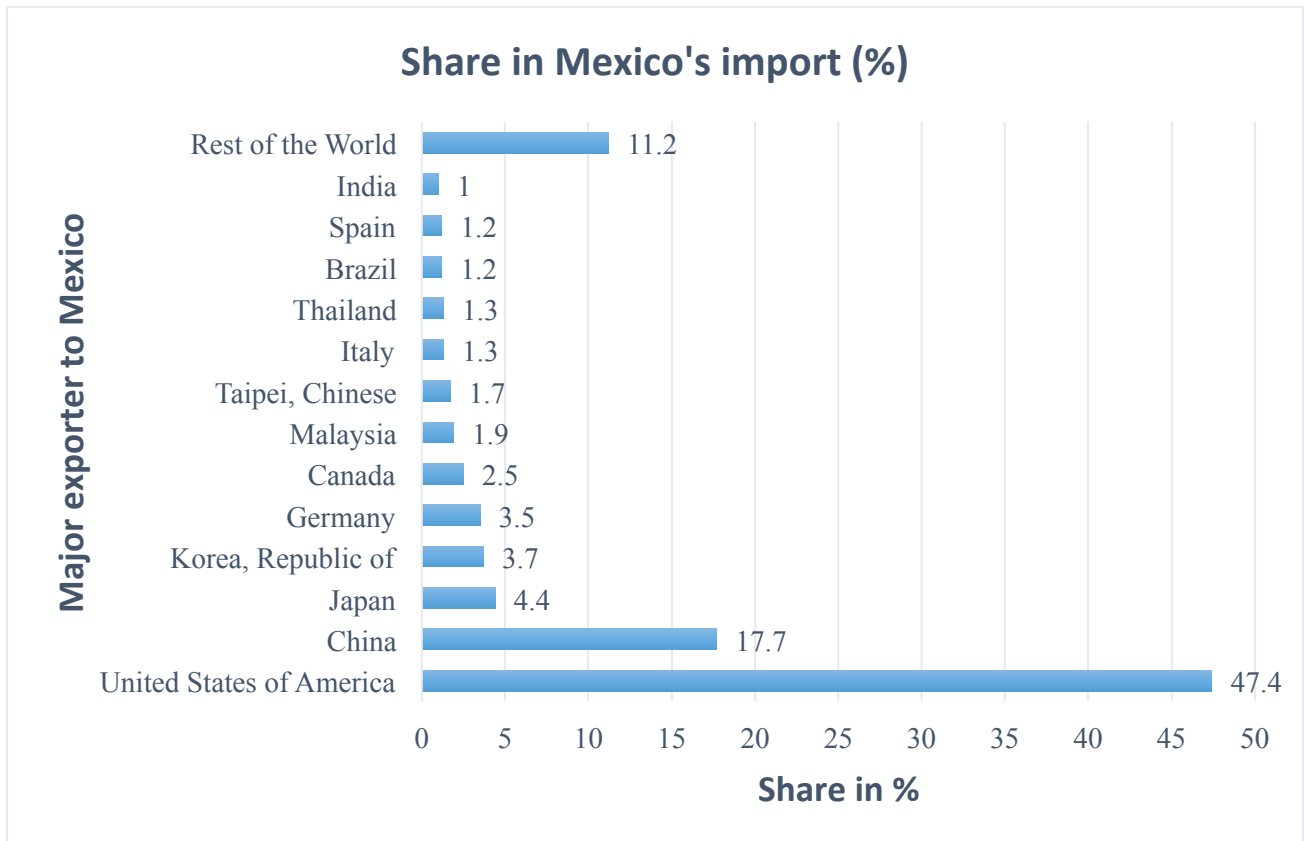
Population below national Poverty Line	46.2%
Contribution of Agriculture, Industries and Services respectively	11.2%, 24% and 62.8% respectively

Compiled from World Bank and UNDP Dataset

The Mexican economy sustained to burgeon at a moderate annual rate of growth of 2.5 percent during 2015. Private consumption was the impetuous factor of economic activity on the back of robust job creation, real wage growth, and credit expansion. In contrast, the expansion of investment activity has slackened down, including due to public spending adjustments.

Also, the figure of HH market concentration index is 0.54 indicating high degree of inequality in the trade structure of Mexico as is concentrated to few economies like USA and China. Major export destinations of Mexico are to USA, Canada and China with the share of 81.2%, 2.8% and 1.3% respectively. Major imports of Mexico comes from USA, China, Japan and South-Korea with 47.4%, 17.7%, 4.4% and 3.7% respectively.

Figure 1: Major economies exporting to Mexican market



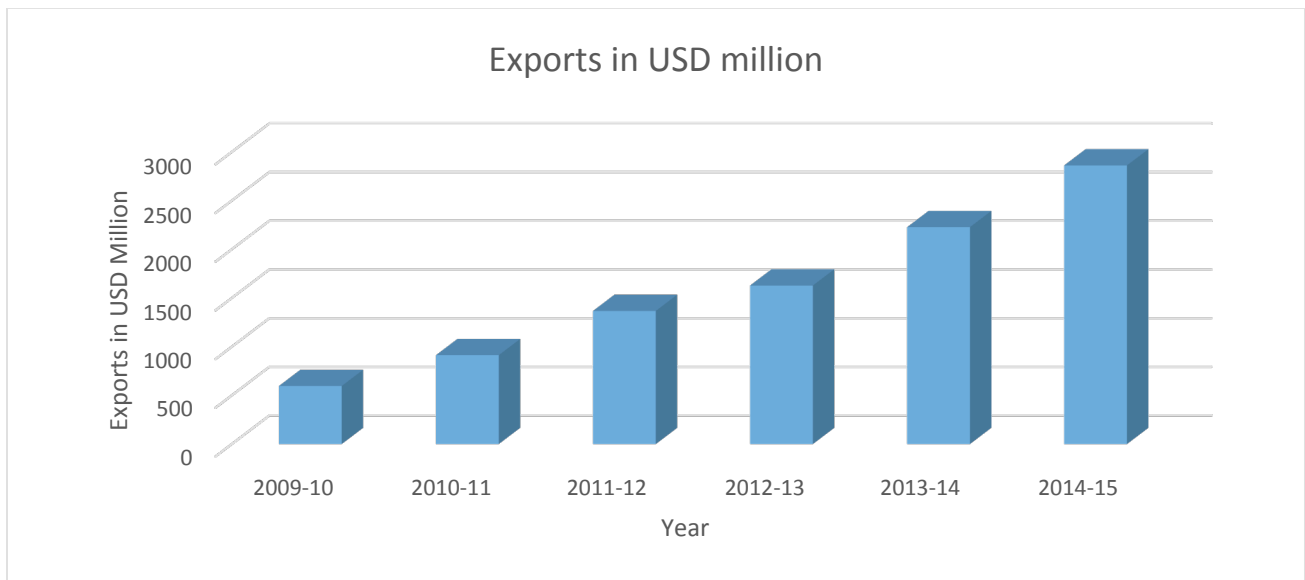
Source: ITC Trade Map, 2016

Major dominance is of USA in Mexican markets followed by China and Japan. Trade relation between USA and Mexico was concrete since the nascent phase of Mexican globalization. India's share in Mexicans imports is meagerly 1% making us the 13th largest exporter of Mexico where the first two economies grabs two-third of Mexican market.

2. India-Mexico Trade

India-Mexico relations have steadily been amenable, warm and cordial, characterized by communal understanding and growing bilateral trade and all-round cooperation. Mexican trade to GDP ratio is 0.656 overshadowing India's figure at 0.524, conveying Mexican economy is slightly more open with respect to global trade. India is in top ten export destinations for Mexico with 2.86 USD billion. Bilateral trade is burgeoning swiftly in recent years, at double-digit rates consistently. It touched 6.45 USD billion in 2014 and 4.6 USD billion in the first 09 months of 2015. Mexico's imports from India propagated at 29.93% in 2014, whereas till the first nine months of 2015 it surged to almost 3.1 USD billion, a 12.18% proliferation from the same period of the last year.

Figure 2. Indian exports to Mexico in USD Million



Source: Ministry of Commerce and Industry, Government of India

There is a continuous intensification in India's exports to Mexico in the past six years. In 2014-15 Indian exports were USD 2.86 Billion and in 2015 (CY) as per ITC Trade

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database, Mexican imports from India was USD 2.76 Billion. This rise in Mexican imports is due to rapid escalation in exports of aluminium, copper and articles, pharmaceuticals, automobiles, electrical, electronic equipment products from India in past couple of years. An important thing to note is that though there is an upsurge in Indian exports to Mexico but the absolute figures of exports of these products are not significant relative to the imports of Mexico from other economies like USA, China and Japan, so there is a need to increase the exports figure may be in the medium run to foster India's position in terms of Mexican imports.

Top product categories exported by India to Mexico *include Motor vehicles for the transport of persons, Aluminum, Copper, Parts & accessories of vehicles, Tubes, pipes & hollow profiles, fittings, iron, steel, Motorcycles & cycles, Organic-inorganic, heterocycl. compounds, nucleic. Acids, Articles of apparel, of textile fabrics, n.e.s.*

Top product categories imported by India from Mexico apart from petroleum and crude oils include *Telecommunication equipment, n.e.s.; & parts, n.e.s., Automatic data processing machines, n.e.s., Steam turbines & other vapour turbin., parts, n.e.s., Parts & accessories of vehicles, Organic-inorganic, heterocycl. compounds, nucl. Acids, Flat-rolled products of alloy steel, internal combustion piston engines, parts, n.e.s., Fixed vegetable fats & oils, crude, refined, fraction.*

3. Measuring bilateral trade entropy index of Mexican imports from NAFTA region

Bilateral trade entropy index measures the export, import or the trade concentration between the economies or trading region. Here bilateral trade entropy index measures the degree of concentration of Mexican imports from NAFTA region excluding Mexico. Bilateral entropy index can be calculated as

$$EI = \sum_{i=1}^N M_{it} \ln\left[\frac{1}{M_{it}}\right]$$

Where M_{it} are the imports of Mexico from NAFTA. Small values of the entropy index reflect high concentration (close to zero) and higher values which are closer to 1 reflects lower concentration or well diversified imports with no single dominance over Mexico's imports. Range of the value of this index lies between 0 and 1.

As per the figure below the degree of concentration of Mexican imports have diluted in the past two decade as the value of entropy index has increased a bit from 0.09 in 1995 to 0.15 with still the major hold of NAFTA. This diminutive increase in entropy index is not signaling diversification rather it is due to the proliferation in the trade agreements of Mexico with different economies of the world in these two decade. Still the openness of Mexican market is opaque with those economies with whom Mexico do not have any kind trade agreements which includes India and China and South Korea are the exception economy.

China and South Korea dominate in Mexican imports because of their strong comparative advantage in producing and exporting electrical, electronic equipment, motor vehicles, automobiles, storage devices, machinery and instruments, optical devices and instruments products globally and these products are imported by Mexico in significant values.

Table 2, List of PTA's and FTA's which Mexico has signed with Economies/Region

Free Trade Agreements		
Agreement/Partner(s)	Date of Signature	Date of Entry into Force
Trans Pacific Partnership Agreement (TPP)	04 February 2016	Not came into force yet
Panama	03 April 2014	01 July 2015
Pacific Alliance	10 February 2014	01 May 2016
Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)	22 November 2011	Between 2012 and 2013 for all the economies.
Peru (ACE 67)	06 April 2011	01 February 2012
Bolivia (ACE 66)	17 May 2010	07 June 2010
Japan	17 September 2004	01 April 2005
Uruguay (ACE 60)	15 November 2003	15 July 2004
European Free Trade Association (EFTA)	27 November 2000	01 July 2001
Israel	10 April 2000	01 July 2001
Chile (ACE 41)	17 April 1998	01 August 1999
European Union (EU)	08 December 1997	01 October 2000
Colombia	13 June 1994	01 January 2011
NAFTA (Canada -Mexico - United States)	17 December 1992	01 January 1994

Source: WTO Database

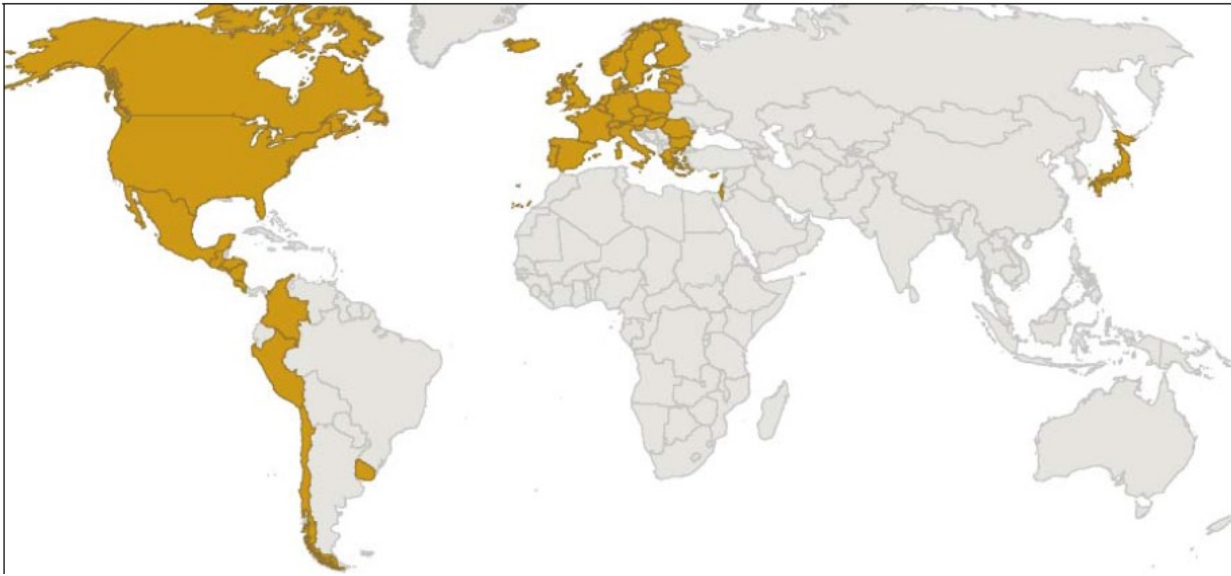
After becoming a part of NAFTA trade agreement Mexico tried to diversify its trade to other economies and thus it signed some FTAs and PTAs with several economies like Japan, Colombia, EU, Chile, Israel, Peru etc.

Many economists and policy makers argues that Mexican economy had to suffer due to US dominance in eclectic framework. One of the important repercussion which Mexican economy had to face was **losses in jobs**. With the amplified ease by which Mexico can import food products from the United States, the role of Mexican farmers was overwhelmed by the production of American agriculture, thus leaving no job for Mexican farmers. This also hampered Mexican environment as NAFTA threatened the farmers in Mexico, they had to be more economical, provoking them to use more fertilizers and

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other chemicals. This cost the country around \$36¹ billion in pollution every year. Meanwhile, rural farmers had use up marginal lands, which resulted in the deforestation of around 630,000 hectares per year (same source).

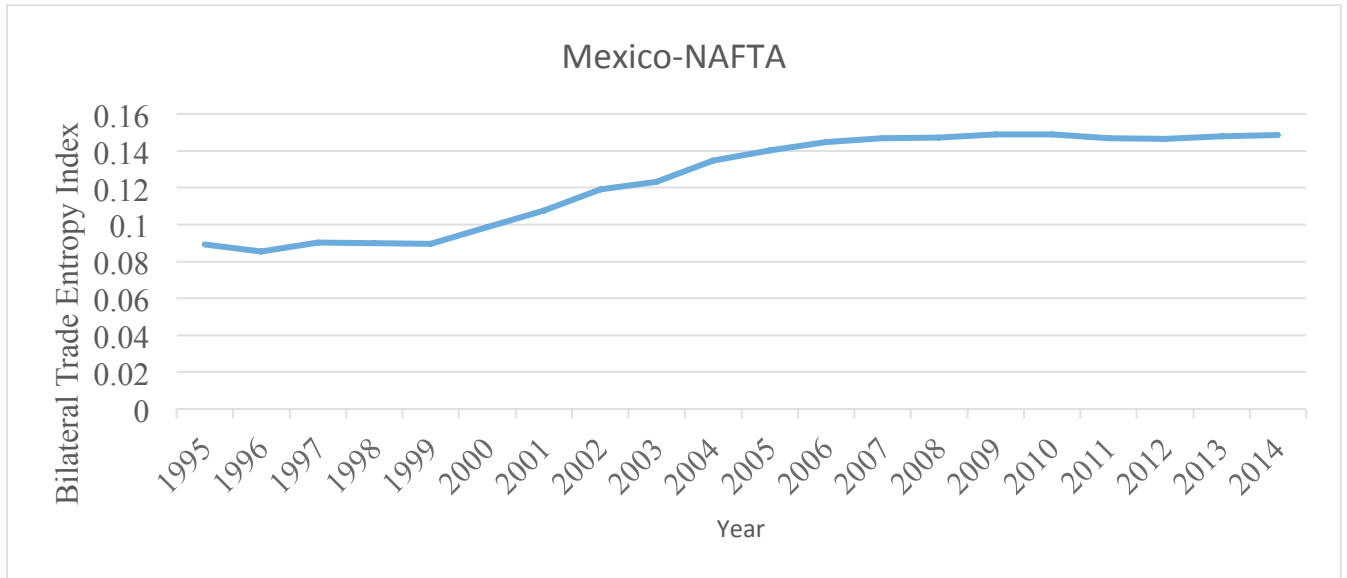
On the whole it will be beneficial for Mexico to diversify its trade structure globally. As per the map Mexico has trade agreements majorly with developed neighboring regions. Apart from Japan, no economy from Asia is there with which Mexico had FTAs or PTAs. Analogously no economy from Africa as well.



Source: Villareal, M (2012), "Mexico's free trade agreements" Congressional Research Services

¹ http://www.academia.edu/7327364/Environmental_impact_of_NAFTA_agricultural_trade_in_Mexico

Figure 3, Time series Entropy Index of Mexican imports from NAFTA



Source: UNCTAD Dataset 2016

NAFTA is one of the oldest FTAs which was implemented between Mexico, USA and Canada on January 1994. NAFTA stanchd from a vision to make North America more competitive in the global market and to moderate trading costs and strengthen business investment. It was also instigated for several purposes such as protection of intellectual property rights, expedite cross border movement of goods and services, build outline to encourage cooperation among involved nations to expand trade agreement benefits. The degree of concentration of imports of Mexico from NAFTA trade agreement (excluding Mexico) remained phlegmatic but on a very high note due to which it was relatively viscous for other economies to import.

Table 3. Entropy Index and Trade Intensity Index² of 2015

Nation	Bilateral Trade Entropy Index	Trade Intensity Index (TII)
United States of America	0.153	5.19
China	0.133	1.27
Japan	0.059	1.15
Korea, Republic of	0.052	1.15
Germany	0.056	0.43
Canada	0.042	1.01
Malaysia	0.031	1.55
Taipei, Chinese	0.030	0.98
Italy	0.024	0.46
Thailand	0.024	0.98
Brazil	0.023	1.00
Spain	0.023	0.68
India	0.020	0.64
Rest of the World	0.106	---

Source: Calculated from ITC Trade Map dataset

Trade Intensity Index of USA-Mexico is 5.19 which clearly explains the dominance of US exports to Mexico as the absolute values are also humongous. Also the value of entropy index is 0.153 which is close to zero signaling the unequal import structure of Mexico dominated by few mentioned economies. In the table we can also see the values of entropy index is nearly close to zero for Brazil, Spain and India which is due to their extremely low base of imports. Trade Intensity Index of India-Mexico is 0.64

² The Trade Intensity Index determines the value of trade between two countries based on its relative importance in world trade. In other words, it determines whether a region exports more, (as a percentage), to a given destination as compared to the exports of the world to that destination. In essence, it is the share of one country's exports going to a partner divided by the share of world exports going to that partner.

$$TII_{ij} = \frac{X_{ij}/X_{it}}{X_{wj}/X_{wt}}$$

Where X_{ij} and X_{wj} are the country I and world exports to country j respectively. X_{it} and X_{wt} are the total exports of country I and world. Value of TII lies from 0 to ∞ . Value above 1 signals that the economy is relatively important with respect to world for exporting

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indicating our exports to Mexico is relatively of lesser importance and is partially because of our nil presence in Mexico's agricultural and dairy imports. All the chapters related to agriculture and dairy are captured by USA's exports as their agricultural and dairy exports are highly subsidized. Indian agricultural exports are not subsidized hence it becomes daunting scenario for us to export these products to Mexico.

Table 4, Mexico top 25 imported products from world value wise, major suppliers, India's share in Mexican imports & India's RCA in 2015

Product Code	Product label	Major supplier of Mexico and India's share in Mexican imports	India's RCA
'85	Electrical, electronic equipment	China (33.8%), USA (27.6%), Malaysia (7.2%), South Korea (5.2%), Japan (4.9%) and India (0.4%)	0.19
'84	Machinery, nuclear reactors, boilers, etc	USA (39.7%), China (23.1%), Germany (6.3%), Japan (5.9%), South Korea (4.3%) and India (0.4%)	0.41
'87	Vehicles other than railway, tramway	USA (53.1%), Japan (10.1%), China (6.3%), Germany (5.5%), Canada (4.1%) and India (3.2%)	0.66
'27	Mineral fuels, oils, distillation products, etc	USA (84.2%), Netherlands (7.7%), Peru (1.2%), Australia (1%), China (0.9%) and India (0.05%)	1.05
'39	Plastics and articles thereof	USA (69.2%), China (8%), South Korea (4.2%), Germany (3.2%), Canada (2.9%) and India (0.5%)	0.56
'90	Optical, photo, technical, medical, etc apparatus	USA (36.8%), China (19.4%), South Korea (13.8%), Japan (6.8%), Germany (5%) and India (0.4%)	0.26
'99	Commodities not elsewhere specified	USA (36.8%), China (21.9%), Russia (5.4%), South Korea (4.9%), Japan (4.1%) and India (0.9%)	0.35
'72	Iron and steel	USA (44.3%), Japan (13.6%), South Korea (11.6%), China (6.4), Canada (4.8%) and India (1%)	1.17
'73	Articles of iron or steel	USA (52.2%), China (13.8%), Japan (5.1%), Taipei Chinese (4.7%), Canada (4.7%) and India (1.6%)	1.43
'29	Organic chemicals	USA (60.1%), China (12%), India (4.8%) , Germany (4%), and Spain (2.1%)	1.76

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'40	Rubber and articles thereof	USA (47.3%), China (16%), Canada (5.7%), Japan (5.2%), South Korea (4.1%) and India (0.8%)	0.84
'48	Paper and paperboard, articles of pulp, paper and board	USA (74.3%), China (4.4%), Canada (2.8%), Germany (2.6%), Finland (2%) and India (0.1%)	0.41
'76	Aluminium and articles thereof	USA (56.2%), Canada (10.2%), China (9.1%), India (6.7%) and Russia (4.4%),	1.02
'30	Pharmaceutical products	USA (29.6%), Germany (16.8%), France (10%), Switzerland (5.5%), Italy (4.2%) and India (1.6%)	1.52
'38	Miscellaneous chemical products	USA (66%), Canada (5.6%), Germany (5.3%), China (3.4%), France (2.2%) and India (0.8%)	1.07
'10	Cereals	USA (86.8%), Canada (6.6%), Ukraine (1.6%), Brazil (1.3%) and Uruguay (1%) and India (nil)	4.08
'94	Furniture, lighting, signs, prefabricated buildings	USA (46.8%), China (27%), Canada (6.8%), Italy (3.2%), Spain (2.9%) and India (0.2%)	0.35
'02	Meat and edible meat offal	USA (82.5%), Canada (9.7%), Chile (3.3%), Brazil (1.7%), Australia (0.9%) and India (nil)	2.39
'12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	USA (82.5%), Canada (22.4%), Paraguay (3.6%), China (3%), Nicaragua (1.4%) and India (0.6%)	1.13
'74	Copper and articles thereof	USA (75.8%), Chile (5.2%), China (3.5%), Japan (1.9%), Germany (1.9%) and India (0.7%)	1.26
'33	Essential oils, perfumes, cosmetics, toileteries	Ireland (38%), USA (27.8%), France (6.9%), Spain (3.2%), Uruguay (3.2%) and India (0.6%)	0.85
'83	Miscellaneous articles of base metal	USA (49.2%), China (24.7%), Canada (4%), South Korea (3.8%), Taipei Chinese (3.7%) and India (0.6%)	0.50
'82	Tools, implements, cutlery, etc of base metal	USA (37.1%), China (17.8%), Japan (6.8%), Germany (6.6%), South Korea (5.2%) and India (0.9%)	0.79
'32	Tanning, dyeing extracts, tannins, derivs,pigments etc	USA (61.3%), China (10.6%), Germany (5.2%), India (3.2%) and Japan (2.3%)	2.09
'95	Toys, games, sports requisites	China (73.4%), USA (9.7%), Japan (4.8%), Vietnam (1.3%), Taipei Chinese (1.1%), Hungary (1.1%) and India (0.1%)	0.16

Source: ITC Trade Map, 2016

As per the table it is pellucid that USA has a major dominance in Mexican imports from the world on almost all the products listed in the table followed by China. Indian scenario

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with respect to Mexican imports is quite dismal, as the presence of India in Mexican markets is at miniscule level. Our presence is infinitesimal even in those product categories where we have comparative advantage globally like **Rice, Flat-rolled products of iron/non-al/s width \geq 600mm, hr, not clad, Tea, Motorcycles, side-cars, Organic compounds, nes, Uncoated paper for writing, printing etc., Ferro-alloys, Medicament mixtures (not 3002, 3005, 3006), put in dosage, Synthetic staple fibres, not carded, Petroleum oils, not crude, Cotton yarn (not sewing thread) 85% or more cotton, not retail. Majorly Mexican trade are with those nations whom Mexico has some or the other type of eclectic trade agreements. Mexican major basket of imports consists of Electrical, electronic equipment, Machinery, nuclear reactors, boilers, etc, Vehicles other than railway, tramway, Mineral fuels, oils, distillation products, etc, Plastics and articles thereof, Optical, photo, technical, medical, etc apparatus.** India's presence as an exporter to Mexico in these products overall is minimal due to economic and geographical factors like tariffs, freight costs, FTA's of Mexico with developed neighboring economies, etc.

4. Measuring Intra Industry Trade using GL-Index of India-Mexico of top commodities exported by India to Mexico

A widely used measure of intra-industry trade is the Grubel-Lloyd (GL) index. To measure the extent of intra-industry trade between India and her bilateral trade partner, we can calculate the GL index for our analysis period. It is calculated as an unweight average to measure the degree of intra-industry trade for country j in product i. It is defined as

$$GL_{ij} = 1 - \left| \frac{X_{ij} - M_{ij}}{X_{ij} + M_{ij}} \right|$$

Where X_{ij} are the exports of commodity i of country j and M_{ij} are the imports of commodity i of country j. From 2000 to 2015 Value of IIT has reduced from 0.69 to 0.42 indicating inter industry trade (no common industry trade). This means we have potential to export those commodities. *Although our share in Mexican imports is only 1% but even in this 1%, our exports to Mexico does not include those commodities in which we have strong comparative advantage*

Table 5, Top 25 commodities exported by India to Mexico value wise at HS four digit along with Grubel-Lloyd (GL) Index

Product code	Product Label	Exports to Mexico Values (USD Thousands) in 2015	GL Intra Industry Index
TOTAL	All products	4066865	0.004
'8703	Cars (incl. station wagon)	863868	0.006
'7601	Unwrought aluminum	241691	0.342
'8708	Parts & access of motor vehicles	193555	0.000
'8711	Motorcycles, side-cars	82333	0.212
'2933	Heterocyclic compounds with nitrogen hetero-atom; nucleic acids & thei	45519	0.037
'3204	Synthetic organic coloring matter & preparations	44049	0.000

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'7305	Tubes&pipe nes, ext diam >406.4mm,of iron &steel	37472	0.005
'3808	Insecticides, fungicides, herbicides packaged for retail sale	32953	0.609
'2941	Antibiotics	31020	0.000
'8701	Tractors (other than tractors of heading no 87.09)	28351	0.229
'2942	Organic compounds, nes	27948	0.018
'5402	Synthetic filam yarn, not put up	26386	0.025
'2915	Saturated acyclic monocarboxylic acids & their derivatives	26299	0.000
'0904	Pepper, peppers and capsicum	25504	0.224
'7326	Articles of iron or steel nes	23942	0.008
'6109	T-shirts, singlets and other vests, knitted or crocheted	22059	0.000
'6206	Women's blouses & shirts	21799	0.011
'3920	Other plates, sheets, film, foil, tape, strip of plastics etc.	21752	0.750
'8501	Electric motors and generators (excluding generating sets)	18891	0.298
'3004	Medicament mixtures (not 3002, 3005, 3006), put in dosage	18668	0.012
'2922	Oxygen-function amino-compounds	17339	0.011
'4011	New pneumatic tires, of rubber	16820	0.054

Source: ITC Trade Map, 2016

According to the table the major commodities exported to Mexico by India includes *Cars (incl. station wagon), Unwrought aluminum, Parts & access of motor vehicles, Motorcycles, side-cars, Heterocyclic compounds with nitrogen hetero-atom; nucleic acids & thei, Synthetic organic coloring matter & preparations, Tubes & pipe nes, ext diam >406.4mm,of iron &steel, Insecticides, fungicides, herbicides packaged for retail sale, Antibiotics, Tractors (other than tractors of heading no 87.09), Organic compounds, nes, Synthetic filam yarn, not put up, Saturated acyclic monocarboxylic acids & their derivatives, Pepper, peppers and capsicum.* The Grubel Lloyd index of Insecticides, fungicides, herbicides packaged for retail sale and other plates, sheets,

film, foil, tape, strip of plastics etc. is more than 0.5 indicating that we export as well as import the same product hence there is an overlap .

5. Tariff structure of Mexico

Table 6, Tariff structures of Mexico

Categories of Products	MFN Rate	Effectively Applied Rate
Ores and Metals	0.5%	0.9%
Manufactured Goods	5.8%	6.0%
Chemical Products	2.3%	3.1%
Machinery and Transport Equipment	3.6%	2.6%
Other Manufactured Goods	8.2%	8.8%

Source: UNCTAD Database 2016

Overall the tariff rates are minimal for those commodities which Mexico imports like electrical and electronic equipment, Machinery and instruments, automobiles etc. Still there is a difference in the tariff rates applied to those economies which have trade agreements and with India. Tariff applied on *Motor cars and other motor vehicles principally designed for the transport of persons* is 35% for Indian exports and 0% for USA. Story is similar for *Motor-cycles, incl. mopeds* with 15% of tariff applied by Mexico. It is coherent to observe the below mentioned facts

- Tariff structures on food and agricultural products applied to India are little higher especially to the products interest to India from exports point of view as compared to tariff imposed on economies which have FTAs and PTAs with Mexico
- Cost of production of agricultural and dairy products in India are significantly higher compared with USA and Canada with few exceptions³ especially to the products interest to India from exports point of view like exportation cost of rice⁴,

³ USA's per unit exportation cost of ground nuts to Mexico is \$1282, for India it is \$1224, for China it is \$1581, for Argentina it is 1282.

Table 7, Tariff structures imposed on major Indian agricultural products by Mexico exported to world

Product Code	Product label	Tariff Applied to India	India Exports to world in values in USD'000	Major supplier to Mexico along with the share of imports in (%)	Tariff applied to major supplier to Mexico in (%)
020230	Bovine cuts boneless, frozen	25%	4,030,281	USA (67), Canada (10.3), Australia (9.9), NZ (7.7)	USA (0), Canada (0), Australia (25), NZ (25)
030613	Shrimps and prawns, frozen, in shell or not, including boiled in shel	16.7%	3,086,572	Honduras (41.2), India (23.4) , Nicaragua (12.4), Guatemala (10)	
030379	Fish nes, frozen, excluding heading No 03.04, livers and roes	9.4%	407,311	China (67.7), USA (11.6), Canada (8.9), Viet Nam (7.7), Peru (2.2)	
030749	Cuttle fish and squid, shelled or not, frozen, dried, salted or in brine	19%	309,399	Peru (48.1), China (19.1), Chile (16.1), USA (14.3%)	Peru (11), China (19), Chile (0), USA (0)
080132	Cashew nuts, without shell, fresh or dried	20%	804,498	Brazil (88.8), Viet Nam (7.7), India (3.1)	Brazil (16), Viet Nam (20), India (20)
090420	Fruits of the genus Capsicum or Pimenta, dried, crushed or ground	20%	575,756	Peru (32.9), China (30.5), India (30) , Spain (2)	
090111	Coffee, not roasted, not decaffeinated	20%	535,435	Brazil (48.1), Honduras (21.3), Columbia (10), Viet Nam (8.2), USA (6.6)	Brazil (20), Honduras (20), Columbia (20), Viet Nam (20),

India is also competitive in Cashew nuts, without shell, fresh or dried compared to Brazil.

⁴ USA's exportation cost of rice to Mexico is \$455 per ton and for India this cost is \$845 which makes us uncompetitive and thus keeping us out of Mexican rice market

Source: ITC, Trade Map, 2016

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					USA (0)
100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	0%	5,976,789	USA (58.9), Uruguay (33.5), Thailand (5.9), Viet Nam (0.7)	Zero duty to all rice suppliers
120220	Ground-nuts shelled, whether or not broken, not roasted or otherwise cooked	0%	625,559	USA (62.6), Nicaragua (21.5), Argentina (5.6), Brazil (4.8), China (4.2), India (1.1)	
130232	Mucilages & thickeners derived from locust beans & seeds or guar seeds	8.3%	708,458	USA (27.6), India (27.6) , China (10), Italy (9.2), Spain (8.1), Pakistan (4.1), Netherlands (3.8)	USA (0), India (8.3), China (8.3), Italy (0), Spain (0), Pakistan (8.3), Netherlands (0)
170199	Refined cane or beet sugar, solid, without flavoring or coloring matter	41.9%	1,008,943	USA (80.2), Brazil (8.8), Guatemala (7.5), Canada (3.5)	USA (0), Brazil (41.9), Guatemala (41.9), Canada (41.9)
190531	Sweet biscuits	10.6%	176,544	USA (52.2), Denmark (6.9), Canada (6.5), China (6), France (5),	USA (0), Denmark (10.6), Canada (0), China (10.6), France (5),

Source: ITC Trade Map, 2016

The above listed agricultural products are those which India exports to the world significantly and Mexico too imports from rest of the world but unfortunately not much from India apart from *Shrimps and prawns, frozen, in shell or not, including boiled in shells, Fruits of the genus Capsicum or Pimenta, dried, crushed or ground, Mucilages & thickeners derived from locust beans & seeds or guar seeds*. Tariff structures imposed to India of most of the commodities are relatively higher like ***Bovine cuts boneless, frozen, Fish nes, frozen, excluding heading No 03.04, livers and roes, Cuttle fish and squid, shelled or not, frozen, dried, salted or in brine, Cashew nuts, without shell, fresh or dried***. If these duties are removed India can expand her presence of these products in Mexican market ameliorating her exports relations with Mexico. Also most of the products mentioned are processed which can bolster India in fetching greater revenues.

Table 8, India exports to Mexico at HS 8 digits up to 20 million USD in 2015

Product Code	Product Label	Value	India's major export destination
87032391 Ad Valorem Tariff is (35%)	Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars, with spark-ignition internal combustion reciprocating piston engine of a cylinder capacity > 1.500 cm ³ but <= 3.000 cm ³ (excl. vehicles for the transport of persons on snow and other specially designed vehicles of subheading 8703.10): Motor cars	549,154	Mexico, Colombia, Argentina, Saudi Arabia, Costa Rica, South Africa, Taipei Chinese, UAE, Panama, Vietnam, Oman, Peru
76011010 (0%)	Aluminium, not alloyed, unwrought: Ingots	183,150	South Korea, Mexico, Malaysia, USA, Taipei Chinese, Singapore
87032291 (35%)	Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars, with spark-ignition internal combustion reciprocating piston engine of a cylinder capacity > 1.000 cm ³ but <= 1.500 cm ³ (excl. vehicles for the transport of persons on snow and other specially designed vehicles of subheading 8703.10): Motor cars	282,816	South Africa, Mexico, Algeria, Viet Nam, Saudi Arabia, UAE, UK, Spain, Italy, Netherlands, Australia, Chile, Colombia, Lebanon, Egypt, Peru, Philippines, Oman, Panama
87089900 (1.3%)	Motor vehicle parts nes	118,354	USA, Turkey, Germany, Mexico, UK, Italy, Brazil
87112029 (15%)	Motor-cycles, incl. mopeds, with reciprocating internal combustion piston engine of a cylinder capacity > 50 cm ³ but <= 250 cm ³ : Other	67,308	Colombia, Nigeria, Sri Lanka, Bangladesh, Philippines, Mexico,

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			Nepal
76012020 (0%)	Unwrought aluminium: aluminium alloys: billets	61, 006	Mexico, Turkey, South Korea, USA, Spain, Brazil
73051129	Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external diameter of > 406,4 mm, of iron or steel, longitudinally submerged arc welded: Other	37,670	Iraq, Saudi Arabia, Peru, UAE, Mexico, USA, Malaysia, Oman, Brazil, Kuwait, Italy, Indonesia
87019090	Tractors (excl. those of heading 8709, pedestrian-controlled tractors, road tractors for semi-trailers and track-laying tractors): Other	28, 438	USA, Turkey, Algeria, Nepal, Bangladesh, South Africa, Sri Lanka, Mexico, Netherlands, Myanmar
29420090	Separate chemically defined organic compounds, n.e.s.: Other	23, 934	USA, Israel, Germany, Egypt, Iran, Japan, Belgium, Brazil, Spain,
87081010	Bumpers and parts thereof for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles, n.e.s.: For tractors	22, 913	USA, Mexico, Brazil, Turkey, Argentina, France, Germany, Italy, Nepal, China, UK, Myanmar

Source: ITC Trade Map

All the products in the above mentioned table are those products which we export to the world as well as to Mexico but the magnitude of our exports is quite minimal but can be escalated to fetch a large quantum of Mexican markets with the support from government and appropriate trade facilitation measures and hence are kept in priority list 1⁵.

Priority List 2⁶ consists of yellow colored products attached in annexure A

⁵ Priority list 1 consists those commodities which has presence in Iranian market but it needs further escalation in those markets to grab the maximum opportunity.

⁶ Priority list 2 consists those commodities which we export to rest of the world and has competitiveness but meagerly export in Iranian market. Since the current exports of these commodities are negligible, surge in initial exports of these commodities in Iranian market will bolster our revenue with a significant intensity as major sectors have unrealized exports.

Table 9, Top 10 Mexican imports from the world at HS 8 digits in 2015

Product Code	Product Label	Value, USD Thousand	Major importers of Mexico
27101204	Gasoline , except as understood in the fraction ç n 2710.12.03	12,954,329	USA, Netherlands, Spain, Finland, Panama, Russia, Italy
85423199	Integrated circuits : processors and controllers whether or not combined with memories, converters , logic circuits, amplifiers, clock and timing circuits, or other circuits : electronic integrated circuits dem s	7,098,434	Malaysia, Viet Nam, China, USA, Taipei Chinese, Japan, South-Korea, Philippines, Costa Rica
87032301	Automobile car transport people exceeding 1500 cm3 but displacement or : a cylinder capacity exceeding 1,500 cm3 but not exceeding 3,000 cm3.	5,165,943	Japan, USA, India , Germany, Spain, Brazil, Canada
84717001	Memory units : storage units	4,559,499	China, Thailand, Philippines, South Korea, USA, Malaysia, Singapore
90138099	Other devices, optical apparatus and instruments : the dem s	4,427,838	China, South Korea, Taipei Chinese, Japan, Vietnam, USA
2710190	Medium oils and preparations, of petroleum or	4,391,885	USA (97.3%), Panama,

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4	bituminous minerals, n.c.o.p : oil (gas & leo) or diesel oil and mixtures thereof.		Germany
85299010	Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528 : other : assemblies screen TV, recognizable as designed exclusively for what is understood in fractions 8528.59.01 , 8528.59.02 , 8528.69.01 and 8528.72 .06 .	3,654,923	China, South Korea, Taipei Chinese, USA, Japan, Thailand, Malaysia, Germany, Philippines, Hungary
84082000	Engine compression ignition internal combustion piston engines (diesel or semi) for Propulsion	3,320,130	USA, Poland, Germany, Italy, Brazil, UK, Japan, Argentina
85176299	Telephones, including mobile phones (mobile phones) and those of other wireless networks; other apparatus for the transmission or reception of voice , images or other data , including telephones for cellular networks or wireless (such as local area networks (LAN) or wide area network (wan)) , other than transmission apparatus or reception headings 8443 , 8525 , 8527 or 8528 : other apparatus for the transmission or reception of voice , images or other data , including telephones for cellular networks or wireless	3,008,460	China, USA, Malaysia, Thailand, Poland, Japan
84733002	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with the machinery of headings 8469 to 8472: parts and accessories of machines of heading 8471 : PCAs .	2,792,283	China, South Korea, USA, Malaysia, Taipei Chinese, Singapore, Philippines, Thailand, Viet Nam

Source: ITC Trade Map, 2016

India's standing with respect to our exports to Mexico at present is enervated, which can be strengthen with the support of eclectic trade facilitations measures including a bilateral trade agreement which India and Mexico can

sign. As our presence of agricultural commodities is negligible in Mexican market which is an unrealized opportunity, India can avail significant amount of advantage in short run with acumen negotiations.

6. Potential Commodities for exporting in Mexico at HS Code at 6 and 8 digits

All the potential commodities all classified in three priority lists.

Priority list 1

Consists those commodities which has presence in Iranian market but it needs further escalation in those markets to grab the maximum opportunity. (At HS 8 Digit)

1. Shrimps and prawns, frozen, in shell or not, including boiled in shell
2. Fruits of the genus Capsicum or Pimenta, dried, crushed or ground
3. Mucilages & thickeners derived from locust beans & seeds or guar seeds
4. Automobile car transport people exceeding 1500 cm³ but displacement or : a cylinder capacity exceeding 1,500 cm³ but not exceeding 3,000 cm³
5. Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars, with spark-ignition internal combustion reciprocating piston engine of a cylinder capacity > 1.500 cm³ but <= 3.000 cm³ (excl. vehicles for the transport of persons on snow and other specially designed vehicles of subheading 8703.10): Motor cars

6. Aluminium, not alloyed, unwrought: Ingots

7. Motor cars and other motor vehicles principally designed for the transport of persons, incl. station wagons and racing cars, with spark-ignition internal combustion reciprocating piston engine of a cylinder capacity $> 1.000 \text{ cm}^3$ but $\leq 1.500 \text{ cm}^3$ (excl. vehicles for the transport of persons on snow and other specially designed vehicles of subheading 8703.10): Motor cars

8. Motor vehicle parts nes

9. Motor-cycles, incl. mopeds, with reciprocating internal combustion piston engine of a cylinder capacity $> 50 \text{ cm}^3$ but $\leq 250 \text{ cm}^3$: Other

10. Unwrought aluminium: aluminium alloys: billets

11. Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external diameter of $> 406,4 \text{ mm}$, of iron or steel, longitudinally submerged arc welded: Other

12. Tractors (excl. those of heading 8709, pedestrian-controlled tractors, road tractors for semi-trailers and track-laying tractors): Other

13. Separate chemically defined organic compounds, n.e.s.: Other

14. Bumpers and parts thereof for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles, n.e.s.: For tractors

As all these products are fairly exported by us to the world which means we have export capacity but unable to export significantly to Iran. Escalation in exports of these commodities will bolster our trade balance with Mexico

Priority list 2

Consists those commodities which we export to rest of the world and has competitiveness but meagerly export in Mexican market. Since the current exports of these commodities are negligible, surge in initial exports of these commodities in Mexican market will bolster our revenue with a significant intensity as major sectors have unrealized exports. (At HS 6 Digit)

1. Other petroleum oils and preparations
2. Machines for the reception, conversion and transmission or regeneration
3. Parts suitable for use solely/principally with the apparatus of headings 85.25 to 85.28
4. Parts & accessories of automatic data processing machines & units thereof
5. Telephones for cellular networks mobile telephones or for other wireless
6. Transmissions for motor vehicles
7. Articles of plastics or of other materials of Nos 39.01 to 39.14 nes
8. Parts for use with the apparatus of heading no. 85.35,85.36 or 85.37,nes
9. Electrical apparatus for switching/protecting electric circuits, not exceeding 1,000 V,nes
10. Parts of telephone sets, telephones for cellular networks or for other

11. Parts for spark-ignition type engines nes
12. Articles, iron or steel, nes
13. Medicaments nes, in dosage
14. Printed circuits
15. Static converters, nes
16. Brakes and servo-brakes and their parts, for tractors, motor vehicles
17. Machines & mechanical appliances nes having individual functions
18. Photosensitive semiconduct device, photovoltaic cells & light emit diodes
19. Engines, spark-ignition reciprocating displacing more than 1000 cc
20. Soya beans
21. Boards, panels, including numerical control panels, for a voltage ≤ 1000 V
22. Reception apparatus for television, whether or not incorporating radio
23. Instruments and appliances used in medical or veterinary sciences, nes
24. Taps, cocks, valves and similar appliances, nes
25. Pneumatic tires new of rubber for buses or lorries
26. Bolts o screws nes, with or without their nuts o washers, iron or steel
27. Filtering or purifying machinery and apparatus for gases nes
28. Electrical switches for a voltage not exceeding 1,000 volts, nes
29. Ignition wiring sets & other wiring sets used in vehicles, aircraft etc
30. Automatic regulating or controlling instruments and apparatus, nes
31. Parts of taps, cocks, valves or similar appliances
32. Plate, sheet or strip ,aluminium alloy, rect or sq, exceeding 0.2mm thick
33. Parts of vacuum pumps, compressors, fans, blowers, hoods
34. Parts for diesel and semi-diesel engines
35. Soya-bean oil-cake & other solid residues, whether or not ground or pellet
36. Flat rolled prod,i/nas, plated or coated with zinc, ≥ 600 mm wide, nes
37. Fuel, lubricating or cooling medium pumps for int comb piston engines
38. Air or gas compressors, hoods
39. Articles of vulcanized rubber nes, other than hard rubber

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40. Gears & gearing, ball screws, gear boxes, speed changers/torque converters

ANNEXURE A

Top 100 commodities imported by Mexico from World

Product Code	Product Label	Mexico's imports from India			India's exports to world		Mexico's imports from world	
		Value in 2015, USD thousand	Share in Mexico's imports, %	Equivalent ad valorem tariff applied by Mexico to India	Value in 2015, USD thousand	Share in world exports, %	Value in 2015, USD thousand	Share in world imports, %
TOTAL	All products	4066865	1		264381004	1.6	395232221	2.4
'271011	Light petroleum oils and preparations	4326	0		12082214	5.4	13409981	6.8
'999999	Commodities not elsewhere specified	109021	0.9		2310012	0.3	11701783	2.2
'854231	Electronic integrated circuits as processors and controllers, whether	478	0	0	20100	0	7804358	3.2
'271019	Other petroleum oils and preparations	279	0	0.6	18062315	4.8	6564124	1.8
'851762	Machines for the reception, conversion and transmission or regeneration	2491	0	0	168853	0.1	6165335	4.4
'852990	Parts suitable for use solely/principally with the apparatus of headings 85.25 to 85.28	1030	0	0.6	105902	0.2	5771256	10.7
'870323	Automobiles with reciprocating piston engine displacement > 1500 cc to 3000 cc	609938	11.3	35	762943	0.3	5389079	2
'847330	Parts and accessories of automatic data processing machines and units thereof	201	0	0	117691	0.1	5386257	5.2
'851712	Telephones for cellular networks mobile telephones or for other wireline	10	0	0	166748	0.1	5062570	1.8

'870829	Parts and accessories of bodies nes for motor vehicles	10168	0.2	0.8	66361	0.1	4846055	7.2
'840820	Engines, diesel, for the vehicles of Chapter 87	5072	0.1	0	93556	0.3	4682834	14.7
'847170	Computer data storage units	70	0	0	50253	0.1	4559508	6.1
'901380	Optical devices, appliances and instruments, nes, of this Chapter	799	0	0	7773	0	4427967	7.3
'870840	Transmissions for motor vehicles	37655	0.9	1.1	355448	0.7	4052638	7.2
'392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes	14619	0.4	6.7	544416	1	3888990	7.4
'854232	Electronic integrated circuits as memories	21	0	0	10648	0	3448744	2.9
'854239	Electronic integrated circuits (excl. such as processors, controllers,	1281	0	0	14342	0	3353644	1.6
'853890	Parts for use with the apparatus of headg no. 85.35,85.36 or 85.37, nes	16844	0.5	0	295028	1	3280913	11.5
'853690	Electrical app for switchg/protec elec circuits,not exceed 1,000 V, nes	13328	0.4	0.2	187724	0.5	3254869	8.9
'851770	Parts of telephone sets, telephones for cellular networks or for other	1672	0.1	0	332231	0.2	3082611	2.3
'870899	Motor vehicle parts nes	62788	2.1	1.3	2463198	2.8	3056559	3.8
'271121	Natural gas in gaseous state	0	0	0	190	0	2958261	2.3
'840991	Parts for spark-ignition type engines nes	14259	0.5	0.5	232905	0.8	2815705	8.9
'847130	Portable digital computers <10kg	25	0	0	76027	0.1	2449115	1.7
'100590	Maize (corn) nes	0	0	7	197591	0.8	2415270	8.8
'732690	Articles, iron or steel, nes	16504	0.7	0	571132	1.5	2371718	6
'870850	Drive axles with differential for motor vehicles	94254	4	1.6	192444	0.9	2353964	11.5
'870324	Automobiles with reciprocating piston engine displacing > 3000 cc	0	0	35	4547	0	2314044	2

'300490	Medicaments nes, in dosage	24921	1.1	1.8	9330569	3.6	2217783	0.8
'853400	Printed circuits	3728	0.2	0	131636	0.3	2170519	4.7
'850440	Static converters, nes	19775	1	2.2	508448	1	2044878	3.9
'870894	Steering wheels, steering columns and steering boxes for motor vehicles	11108	0.6	0	38040	0.2	1904904	9.3
'870830	Brakes and servo-brakes and their parts, for tractors, motor vehicles	12790	0.7	1.3	253600	0.9	1852360	6.6
'854449	Electric conductors, for a voltage not exceeding 80 V, nes	583	0	4.3	54903	0.2	1844395	7.5
'847989	Machines & mechanical appliances nes having individual functions	3771	0.2	7.3	307840	0.9	1769623	4.8
'854140	Photosensitive semiconductor device, photovoltaic cells & light emitting diodes	342	0	0	146354	0.2	1735350	3
'852872	Reception apparatus for television, colour, whether or not incorporating	112	0	8.8	36374	0.1	1666407	3.5
'840734	Engines, spark-ignition reciprocating displacing more than 1000 cc	255	0	0	121076	0.4	1600003	5.2
'120100	Soya beans	0	0		144643	0.3	1574227	2.8
'854442	Electric conductors for a voltage <= 1.000 V, insulated, fitted with c	806	0.1	4.2	42431	0.2	1545788	5.9
'870322	Automobiles w reciprocating piston engine displacg > 1000 cc to 1500 cc	173145	11.2	35	2953331	3.9	1539956	2
'853710	Boards, panels, including numerical control panels, for a voltage <= 1000 V	2333	0.2	2.9	318211	0.7	1516369	3.3
'940190	Parts of seats other than those of heading No 94.02	246	0	0	40286	0.1	1502977	4.8
'852871	Reception apparatus for television, whether or not incorporating radio	27893	1.9	5	124992	1	1445823	11.8

'901890	Instruments and appliances used in medical or veterinary sciences, nes	2915	0.2	5.6	211411	0.5	1432865	3
'848180	Taps, cocks, valves and similar appliances, nes	6400	0.4	1.9	701202	1.4	1430824	2.9
'870431	Gas powered trucks with a GVW not exceeding five tonnes	0	0	22	4903	0	1414557	4.8
'844399	Parts and accessories of printers, copying machines and facsimile mach	327	0	0	33549	0.1	1402055	2.5
'401120	Pneumatic tires new of rubber for buses or lorries	3155	0.2	11.3	434577	1.9	1399694	6.1
'870895	Safety airbags with inflator system and parts thereof, for tractors, m	10	0	0	22866	0.2	1365233	14
'870880	Shock absorbers for motor vehicles	12134	0.9	3.1	85908	0.5	1355525	8.4
'401110	Pneumatic tire new of rubber f motor car incl station wagons&racg cars	478	0	15	89970	0.2	1333962	3.4
'854370	Electrical machines and apparatus, having individual functions, n.e.s.	3465	0.3	1.7	38941	0.1	1330235	4.1
'731815	Bolts o screws nes,with o without their nuts o washers,iron o steel	4246	0.3	0.5	309052	1.9	1316868	7.6
'330210	Mixtures of odoriferous substances for the food or drink industries	67	0	8.3	38788	0.3	1242856	8.7
'760120	Aluminium unwrought, alloyed	46599	3.8	0	189806	0.8	1215768	4.4
'842139	Filtering or purifying machinery and apparatus for gases nes	3529	0.3	3.9	117073	0.6	1182373	6.2
'848071	Moulds, injection or compression types, for rubber or plastics	3606	0.3	0	60184	0.5	1169003	10.6

'853650	Electrical switches for a voltage not exceeding 1,000 volts, nes	1845	0.2	0.3	113344	0.6	1165969	6.2
'854430	Ignition wirg sets&oth wirg sets usd in vehicles,aircraft etc	1671	0.2	3.3	159609	0.4	1111615	3.1
'903289	Automatic regulating or controlling instruments and apparatus, nes	7069	0.6	5	199101	1	1106947	4.9
'390120	Polyethylene having a specific gravity of 0.94 or more	3	0	0	96764	0.4	1049634	3.7
'100190	Wheat nes and meslin	0	0		152332	0.4	1026320	3.1
'271112	Propane, liquefied	0	0	0	10	0	1012291	4.3
'382490	Chemical/allied industry preparations/prods nes	4170	0.4	1.2	203677	0.5	1010124	2.5
'847150	Digital processing units not sold as complete systems	27	0	0	16956	0	1004384	1.8
'841199	Parts of gas turbines nes	24	0	0	36979	0.2	998844	4.7
'848190	Parts of taps, cocks, valves or similar appliances	14777	1.5	0	340679	2.2	998299	5.7
'760612	Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick	1111	0.1	2.5	108563	0.5	991141	4.7
'841490	Parts of vacuum pumps, compressors, fans, blowers, hoods	13944	1.4	0	258404	1.7	990416	6.2
'392310	Boxes, cases, crates & similar articles of plastic	58	0	15	33050	0.3	983283	10
'903180	Measuring or checking instruments, appliances and machines, nes	1557	0.2	2.5	64631	0.3	970005	4.6
'870870	Wheels including parts and accessories for motor vehicles	23561	2.5	0.6	87607	0.5	957389	5.3
'271111	Natural gas, liquefied	0	0	0	123884	0.2	892919	0.8
'290243	P-xylene	0	0	0	551678	4.3	885386	6.2
'850300	Parts of electric motors, generators, gener atg sets & rotary converters	36247	4.1	0	278062	1.6	879498	5.1

'848310	Transmission shafts and cranks, including cam shafts and crank shafts	15016	1.7	0	258180	2.8	866953	8
'841430	Compressors of a kind used in refrigerating equipment	25	0	7.7	30064	0.2	856496	6.5
'840999	Parts for diesel and semi-diesel engines	14230	1.7	0.3	658653	2	847996	2.7
'230400	Soya-bean oil-cake&oth solid residues,whether or not ground or pellet	0	0	0	436591	1.7	839591	3.1
'721049	Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes	3913	0.5	0	624412	3.3	825421	4.2
'950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls" carr	1663	0.2	10.5	54490	0.2	823464	1.8
'020130	Bovine cuts boneless, fresh or chilled	0	0	20	68899	0.5	793839	5.4
'381512	Supportd catalystrs,w precious metal/compds thereof as the activ subs	0	0	0	6574	0.1	777946	11.8
'300210	Antisera and other blood fractions	1964	0.3	4	45074	0	765038	0.9
'841330	Fuel, lubricating or cooling medium pumps for int comb piston engines	3934	0.5	0.7	110099	0.9	753731	6.1
'481910	Cartons, boxes and cases, of corrugated paper or paperboard	4	0	0	33178	0.5	752717	11.8
'390210	Polypropylene	9785	1.3	6	739177	3.2	749345	3
'841191	Parts of turbo-jets or turbo-propellers	0	0	0	12143	0	748411	1.4
'401693	Gaskets, washers and other seals of vulcanised rubber	2478	0.3	0	60487	0.6	740115	6.3
'841480	Air or gas compressors, hoods	1319	0.2	2.9	305959	1.5	729590	3.8
'401699	Articles of vulcanised rubber nes, other than hard rubber	4327	0.6	1.4	203484	1.8	718716	6.2

'740811	Wire of refined copper of which the max cross sectional dimension > 6mm	20	0	5	90115	0.7	709504	5.9
'848340	Gears&gearing,ball screws,gear boxes,speed changers/torque converters	6560	1	0	170733	1	686850	4.1
'120510	Low erucic acid rape or colza seeds "yielding a fixed oil which has an	0	0	0	16	0	669881	6.9
'870893	Clutches and parts for motor vehicles	12540	1.9	0	42389	0.4	666521	7
'391990	Self-adhesive plates, sheets, film etc, of plastic nes	458	0.1	0	42657	0.3	664948	4.9
'760110	Aluminium unwrought, not alloyed	294787	44.9	0	1331385	5.9	657076	2.7
'853224	Electrical capacitors, fixed, ceramic dielectric, multilayer, nes	407	0.1	0	685	0	650902	4.3
'851220	Lighting or visual signalling equipment nes	1789	0.3	1.7	61234	0.3	640469	3.9

Source: ITC Trade Map

Grey color: Priority list 1, Yellow color: Priority list 2, Blue color: Priority list 3¹

¹ Priority list 3 consists those top commodities in terms of values imported by Mexico from world but India neither exports to Mexico nor to World. If we start focusing to produce these commodities primarily to export, initially with the support of government's initiative like flagship scheme "Make in India" or "Startup India" in medium and long run we can be competitive in exporting these commodities and perceptibly this will help in increasing our employment as well.

ANNEXURE B

Top commodities exported by India to Mexico at HS six digit as per Value in USD
Thousands

Product Code	Product Label	Mexico's imports from India			India's exports to the world		Mexico's imports from world	
		Value in 2015, USD thousand	Share in Mexico's imports, %	Equivalent ad valorem tariff applied by Mexico to India	Value in 2015, USD thousand	Share in world exports, %	Value in 2015, USD thousand	Share in world imports, %
TOTAL	All products	2768298	1		268 USD Billion	1.6	395 USD Billion	2.4
'870323	Automobiles w reciprocating piston engine displacement > 1500 cc to 3000 cc	609938	11.3	35	762943	0.3	5389079	2
'760110	Aluminium unwrought, not alloyed	294787	44.9	0	1331385	5.9	657076	2.7
'870322	Automobiles w reciprocating piston engine displacement > 1000 cc to 1500 cc	173145	11.2	35	2953331	3.9	1539956	2
'999999	Commodities not elsewhere specified	109021	0.9		2310012	0.3	1.2E+07	2.2
'710239	Diamonds non-industrial uses excluding mounted or set diamonds	95224	68.4	0	2.1E+07	23.8	139288	0.2
'870850	Drive axles with differential for motor vehicles	94254	4	1.6	192444	0.9	2353964	11.5
'870899	Motor vehicle parts	62788	2.1	1.3	2463198	2.8	3056559	3.8
'871120	Motorcycles with reciprocating piston engine displacement > 50 cc to 250 cc	48994	31.1	15	1676736	19.5	157731	2.3
'760120	Aluminium unwrought, alloyed	46599	3.8	0	189806	0.8	1215768	4.4

'870840	Tansmissions for motor vehicles	37655	0.9	1.1	355448	0.7	4052638	7.2
'850300	Parts of electric motors,generators,gen eratg sets & rotary converters	36247	4.1	0	278062	1.6	879498	5.1
'730519	Pipe,line,i or s,int/ext circ cross sect,wld,ext dia >406.4mm,nes	34667	26.1	0	92844	7.6	132941	10
'293499	Nucleic acids and their salts, whether or not chemically defined; hete	32636	5.6	0.5	419407	2.4	586192	2.9
'870190	Wheeled tractors nes	31834	16.7	0.6	958418	5.4	190405	1.1
'852871	Reception apparatus for television, whether or not incorporating radio	27893	1.9	5	124992	1	1445823	11.8
'291899	Carboxylic acids with additional oxygen function and their anhydrides,	27100	59.6	1	47506	3.3	45449	2.4
'540233	Textured yarn nes,of polyester filaments,not put up for retail sale	25850	18.2	5	742753	20.3	142152	3.6
'090420	Fruits of the genus Capsicum or Pimenta, dried, crushed or ground	25328	30		575756	41.3	84377	5.8
'300490	Medicaments nes, in dosage	24921	1.1	1.8	9330569	3.6	2217783	0.8
'300390	Medicaments nes, formulated, in bulk	24915	25.6	1	245468	2.3	97293	1

'850110	Electric motors of an output not exceeding 37.5 W	24280	4.7	0	162957	1.3	518174	3.8
'870870	Wheels including parts and accessories for motor vehicles	23561	2.5	0.6	87607	0.5	957389	5.3
'411420	Patent leather and patent laminated leather; metallized leather (excl.	21673	18	0	5655	1	120654	20.8
'293359	Heterocycl compds cntg pyrimidin rng/piperazine rng,nes;nucleic acid&sa	21576	27.4	0.2	206158	1.3	78723	0.5
'293339	Heterocyclic compds cntg an unfused pyridine ring in the structure,nes	21529	11.4	0.6	351318	3	189233	1.4
'620630	Womens/girls blouses and shirts, of cotton, not knitted	20900	36.8	25	673101	13.1	56765	1.1
'761699	Articles of aluminium, nes	20604	3.3	4.4	365435	2.4	629626	5.1
'850440	Static converters, nes	19775	1	2.2	508448	1	204487 8	3.9
'610910	T-shirts, singlets and other vests, of cotton, knitted	19193	6.6	25	177906 1	6.5	290822	1.2
'620640	Womens/girls blouses and shirts, of man-made fibres, not knitted	19192	20.3	21.7	834471	11.7	94399	1.2

'320416	Reactive dyes and preparations based thereon	18992	50.9	0	529790	34.2	37310	2.3
'300220	Vaccines, human use	18295	5.6	2.5	632554	2.4	327559	1.3
'850231	Wind-powered generating equipment	18232	4.3	7.5	4652	0.1	420325	9.5
'392112	Film and sheet etc, cellular of polymers of vinyl chloride	18140	4.1	0	19013	1.1	445141	23.2
'620520	Mens/boys shirts, of cotton, not knitted	17279	12	22.5	915395	7.1	144312	1.2
'610510	Mens/boys shirts, of cotton, knitted	17259	22.4	25	339278	6	77093	1.4
'853890	Parts for use with the apparatus of headg no. 85.35,85.36 or 85.37,nes	16844	0.5	0	295028	1	328091 3	11.5
'392190	Film and sheet etc, nes of plastics	16772	2.6	0	185598	1.4	635413	4.9
'732690	Articles, iron or steel, nes	16504	0.7	0	571132	1.5	237171 8	6
'740311	Copper cathodes and sections of cathodes unwrought	16297	11.9	0	192625 0	3.9	136797	0.3
'294190	Antibiotics nes, in bulk	15918	13.7	0.3	565840	7.5	115910	1.4
'732619	Articles of iron or steel, forged or stamped, but not further worked	15908	5.4	0	323464	8.7	292472	8.4
'293500	Sulphonamides in bulk	15536	31.6	0.5	170952	1.8	49208	0.5

'293999	Vegetable alkaloids, natural or reproduced by synthesis, and their sal	15094	30.8	0	115053	18.2	48954	7.6
'848310	Transmission shafts and cranks, including cam shafts and crank shafts	15016	1.7	0	258180	2.8	866953	8
'293399	Heterocyclic compounds with nitrogen hetero-atom[s] only (excl. those	14854	13	0.3	431405	2.9	114057	0.6
'848190	Parts of taps, cocks, valves or similar appliances	14777	1.5	0	340679	2.2	998299	5.7
'030613	Shrimps and prawns, frozen, in shell or not, including boiled in shell	14716	23.4		308657 2	19.6	62931	0.4
'392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes	14619	0.4	6.7	544416	1	388899 0	7.4
'840991	Parts for spark-ignition type engines nes	14259	0.5	0.5	232905	0.8	281570 5	8.9
'840999	Parts for diesel and semi-diesel engines	14230	1.7	0.3	658653	2	847996	2.7
'871419	Motorcycle parts nes	14033	7.4		153156	2	189005	2.6

'841490	Parts of vacuum pumps, compressors, fans, blowers, hoods	13944	1.4	0	258404	1.7	990416	6.2
'722220	Bars & rods, stainless steel, nfw than cold formed or cold finished	13786	25.5	0	417933	14.3	54168	2.1
'392020	Film and sheet etc, non-cellular etc, of polymers of propylene	13760	4.8	0	254768	2.7	284750	3.1
'320417	Synthetic organic pigments and preparations based thereon	13432	11	4.9	573548	12.4	121606	2.4
'853690	Electrical app for switchg/protec elec circuits,not exceed 1,000 V,nes	13328	0.4	0.2	187724	0.5	325486 9	8.9
'840732	Engines,spark-ignition reciprocating,displacg >50 cc but nt more 250cc	13228	14.2	1.3	5972	1.1	92916	16.4
'960810	Ball point pens	12836	9.4	15	167593	5.6	136803	4.6
'870830	Brakes and servo-brakes and their parts, for tractors, motor vehicles	12790	0.7	1.3	253600	0.9	185236 0	6.6
'730511	Pipe,line,i/s,longitudinally subm arc wld,int/ext cc sect,dia >406.4mm	12754	14.2	0	552896	13.6	89909	1.7

'292690	Nitrile-function compounds, nes	12684	25.6	0	44067	1.9	49471	2.4
'870893	Clutches and parts for motor vehicles	12540	1.9	0	42389	0.4	666521	7
'630231	Bed linen, of cotton, nes	12438	44.6	25	217687	6.5	27861	0.7
'870880	Shock absorbers for motor vehicles	12134	0.9	3.1	85908	0.5	135552 5	8.4
'850140	AC motors, single-phase, nes	11967	3.9	1.1	79680	1.5	308120	6.4
'550320	Staple fibres of polyesters, not carded or combed	11862	9.1	3.8	200916	5.1	129789	3
'630260	Toilet&kitchen linen,of terry towellg or similar terry fab,of cotton	11727	43.6	25	100303 1	15.7	26908	0.5
'901819	Electro-diagnostic apparatus, nes	11705	5.8	0	64308	0.6	203165	2.2
'870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	11392	11.4	35	66217	0.1	99757	0.1
'841391	Parts of pumps for liquid whether or not fitted with a measurg device	11328	2.1	0	265018	1.9	539416	3.4
'551511	Woven fab of polyester staple fib mixd w viscose rayon staple fib,nes	11253	39.5	10	379250	18.4	28490	1.6

'840219	Vapour generating boilers nes, including hybrid boilers	11176	39.6	15	31839	4.3	28220	2.5
'870894	Steering wheels,steering columns and steering boxes for motor vehicles	11108	0.6	0	38040	0.2	190490 4	9.3
'293349	Heterocyclic compounds with nitrogen hetero-atom[s] only, containing i	11107	55.8	1.1	95394	6.2	19890	1.2
'320412	Acid and mordant dyes and preparations based thereon	10843	32.9	0	216002	21.4	32948	3.1
'870321	Automobiles w reciprocating piston engine displacg not more than 1000 cc	10454	12.8	28.3	122584 6	5.9	81652	0.4
'610610	Womens/girls blouses and shirts, of cotton, knitted	10179	23.4	25	107627	4.2	43535	1.9
'870829	Parts and accessories of bodies nes for motor vehicles	10168	0.2	0.8	66361	0.1	484605 5	7.2
'294150	Erythromycin and its derivatives, in bulk; salts thereof	10081	71.9	0	110243	21.9	14023	2.7