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U.S. – Mexico Trade: Sectors and Regions

Much of U.S. – Mexico trade is intra-industry, a reflection of the specialization within an industry, and across countries, that international trade promotes.

Trade between the United States and Mexico covers many sectors and spans all regions of the two countries. This article examines U.S.–Mexico intra-industry and product-specific trade and looks at bilateral trade activity at the state level and at the U.S.–Mexico border.

SECTORAL BILATERAL TRADE

Intra-Industry Trade

When the possibility of a North American Free Trade Agreement was first being discussed, analysts speculated about which sectors of the U.S. economy would end up as “winners” or “losers” through such an agreement. A winner was interpreted as a sector whose exports would rise through NAFTA; a loser was a sector whose imports from the other two countries would rise.

There are at least two misleading elements in this way of looking at trade. First, imports per se should not be viewed as contributing a “loss” for a country; imports make available a greater variety of consumer goods or producer inputs, often at lower prices than the domestically produced versions. Second, since in most economies any given sector or industry generates both exports and imports, the distinction between the export and import sectors is blurred. Two-way trade occurs within virtually any industry. In fact, intra-industry trade represents a significant portion of world trade today. Moreover, the great majority of U.S.–Mexico trade—about 80 percent—is intra-industry.¹

Table 1 lists the top 15 U.S. exports to Mexico and the top 15 U.S. imports from Mexico during 1999. Twelve categories that show up as top U.S. exports also appear on the list of top U.S. imports. For example, electrical machinery and appliances constituted the leading U.S. export to Mexico in 1999; yet, this group of products was also the United States’ second-largest

Table 1

U.S. Trade with Mexico, 1999

(Millions of U.S. dollars)

Top U.S. exports to Mexico

TOTAL	87,044
Electrical machinery and appliances	16,865
Motor vehicles	8,195
Miscellaneous manufactured articles	4,256
General industrial machinery	4,221
Telecommunications equipment	4,023
Office machines and ADP equipment	3,763
Manufactures of metals	3,102
Textile yarn, fabrics	2,878
Power-generating machinery	2,822
Articles of apparel and clothing	2,555
Machinery, specialized	2,368
Plastics in primary form	1,950
Petroleum, petroleum products	1,896
Paper, paperboard	1,894
Professional scientific instruments	1,801

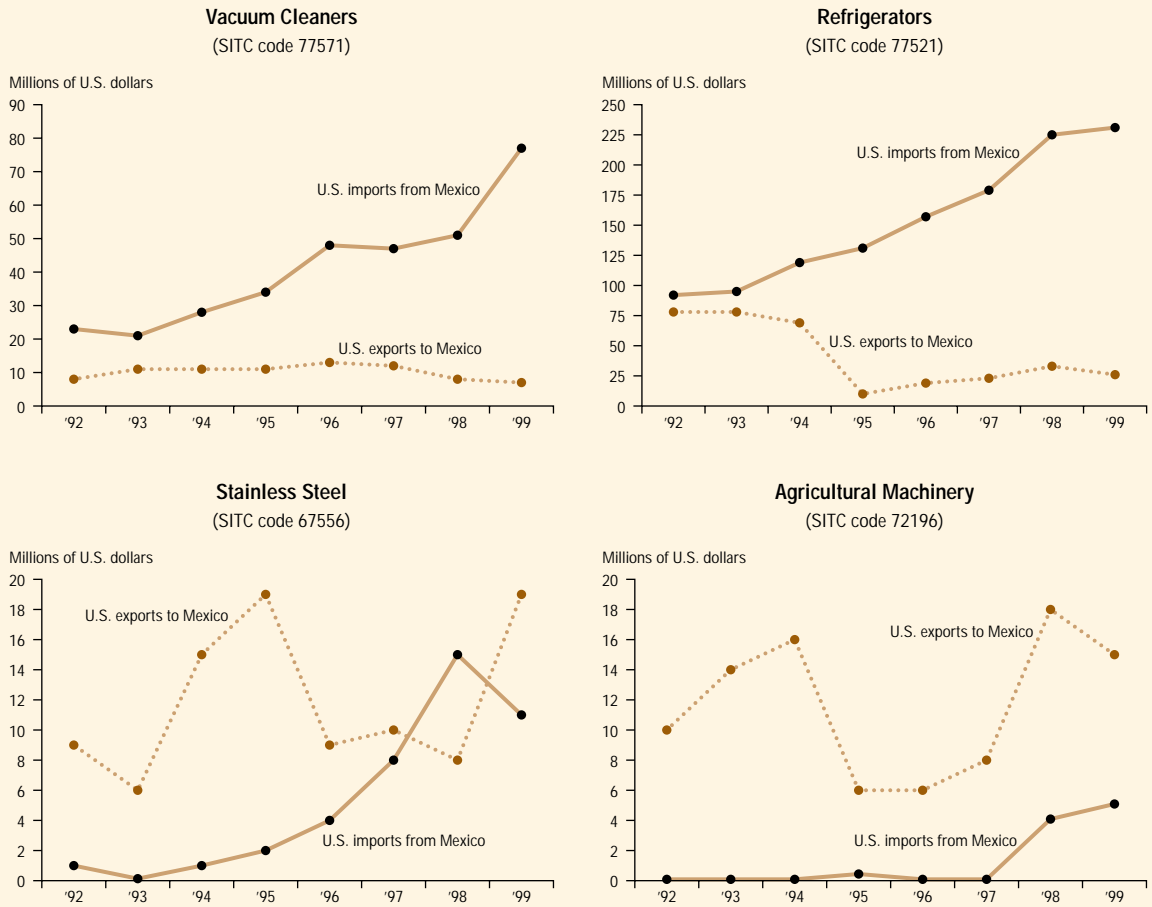
Top U.S. imports from Mexico

TOTAL	109,706
Motor vehicles	19,968
Electrical machinery and appliances	15,322
Telecommunications equipment	12,046
Articles of apparel and clothing	7,843
Petroleum, petroleum products	7,204
Office machines and ADP equipment	7,203
Power-generating machinery	4,346
General industrial machinery	3,805
Professional scientific instruments	3,082
Furniture and bedding	2,885
Vegetables and fruit	2,659
Miscellaneous manufactured articles	2,316
Manufactures of metals	2,140
Textile yarn, fabrics	1,321
Nonmetallic mineral manufactures	1,253

SOURCE: U.S. Bureau of the Census, Foreign Trade Division.

Chart 1

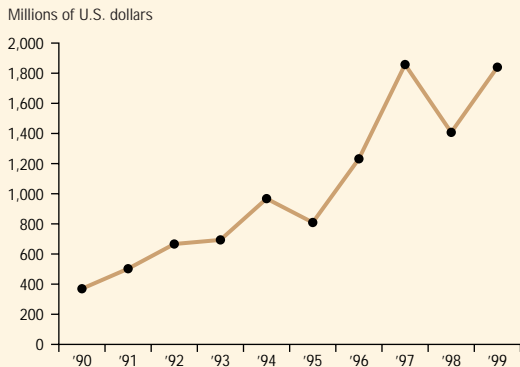
U.S.—Mexico Two-Way Trade, 1992–99



NOTE: Data are not seasonally adjusted.

SOURCE: U.S. International Trade Commission.

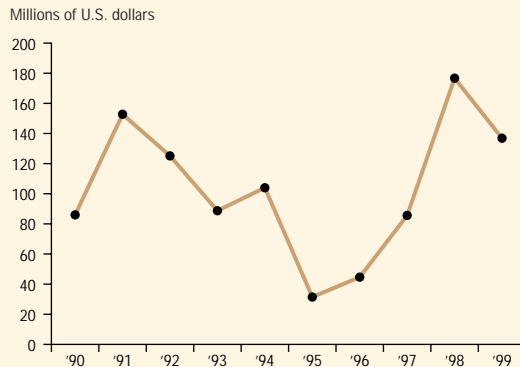
Chart 2
U.S. Computer Exports to Mexico, 1990–99



NOTE: Data are not seasonally adjusted.

SOURCE: U.S. International Trade Commission, HTS code 8471.

Chart 3
U.S. Tractor Exports to Mexico, 1990–99



NOTE: Data are not seasonally adjusted.

SOURCE: U.S. International Trade Commission, HTS code 8701.

import from Mexico. Motor vehicles were the second largest U.S. export to Mexico but also the top U.S. import from Mexico.

This two-way exchange within the same industry reflects the specialization that occurs through trade. It can imply any of the following:

- Each country is sending the other a totally different product within the same industrial category. Within electrical machinery and appliances, for example, the United States sends dishwashers to Mexico while Mexico sends ignition wiring sets to the United States.

- Each country is sending the other a differentiated version of the same product. Within electrical machinery and appliances, the United States and Mexico send vacuum cleaners to each other but of a different variety. Under motor vehicles, the United States sends Mexico Cadillacs, while Mexico sends Volkswagen New Beetles to the United States.

- Each country is sending the other essentially the same product but at a different stage of production. In the electrical machinery and appliances category, the United States sends Mexico television picture tubes, while Mexico sends television receivers—entire TV sets—to the United States.

The third case, in fact, is an example of U.S.–Mexico trade through the maquiladora industry, also known as production sharing.² Chart 1 shows examples of intra-industry, or two-way, trade in selected products between the United States and Mexico.

NAFTA and Product-Specific Trade

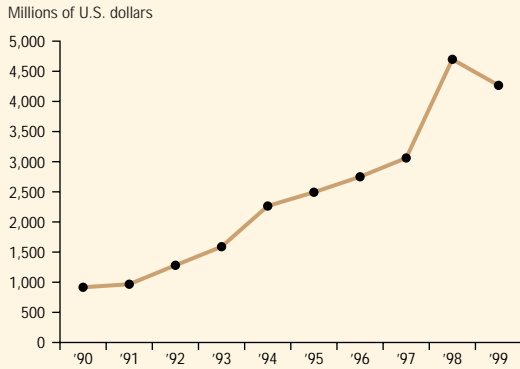
To determine the NAFTA-specific impact on U.S.–Mexico trade at the sectoral level, it is useful to look at examples of products that were actually liberalized through NAFTA, that is, those products whose tariffs NAFTA either reduced or eliminated.

On the U.S. side, two products that NAFTA affected positively are computers and tractors. Prior to NAFTA, U.S. exports of computers and tractors faced average Mexican tariffs of 17.3 percent³ and 15 percent,⁴ respectively. On Day 1 of the agreement—January 1, 1994—Mexican tariffs on most computer exports were totally eliminated. As seen in Chart 2, after growing 4.1 percent in 1993, U.S. computer exports jumped 39.5 percent in 1994 in response to the duty-free status they enjoyed in Mexico as of that year. Although computer exports dropped the following year—the result of both the peso devaluation and crisis conditions in the Mexican economy⁵—growth from 1996 onward was mainly positive, averaging more than 27 percent per year during 1996–99. U.S. computer exports to Mexico grew to \$1.8 billion in 1999, up from \$369.5 million in 1990.

U.S. tractor exports showed negative growth of 29.1 percent in 1993, just prior to NAFTA, but grew 17.2 percent after NAFTA started in 1994 (Chart 3). As with computers, tractor exports declined in 1995 due to Mexico’s weak economic conditions, but they rebounded the following year and averaged growth of more than 54 percent per year during 1996–99 in spite of a decline last year. U.S. tractor exports to Mexico grew to \$136.9 million in 1999, up from \$86 million in 1990.

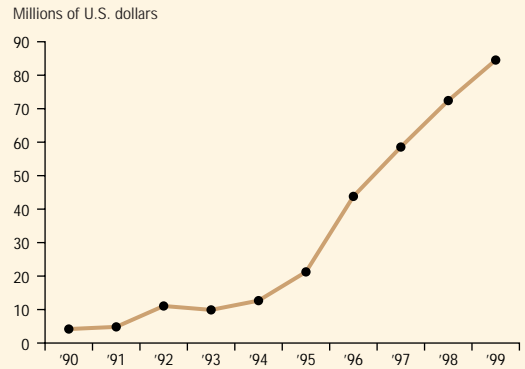
A Mexican product that NAFTA has impacted positively is television sets. Prior to NAFTA, Mexican TVs faced an average U.S. tariff of 4.5 percent.⁶ NAFTA eliminated U.S. tariffs on Mexican TVs. As a result of free access to the U.S. market, Mexican TV exports to the United States jumped 42.5 percent in 1994. Exports rose thereafter, averaging annual growth of 15.2 percent during 1995–99 (Chart 4). Mexican TV exports to the United States climbed to \$4.3 billion in 1999, up from \$916.3 million in 1990.

Chart 4
Mexican TV Exports to the United States, 1990–99



NOTE: Data are not seasonally adjusted.
 SOURCE: U.S. International Trade Commission, HTS code 8528.

Chart 5
Mexican Men's and Boys' Woven Apparel Exports to the United States, 1990–99



NOTE: Data are not seasonally adjusted.
 SOURCE: U.S. International Trade Commission, HTS code 620311.

Because NAFTA opened up the U.S. market significantly to Mexico's textiles and apparel goods, exports to the United States of many products in this sector have risen significantly. Because of NAFTA, overall textiles and apparel exports to the United States increased 419 percent during 1993–99. In fact, in 1998 Mexico surpassed China as the top supplier for the United States of these products. One example of a product category that was greatly liberalized through NAFTA is men's and boys' woven apparel. These products faced a U.S. tariff of more than 21 percent in 1993.⁷ At the start of NAFTA in 1994, tariffs were totally eliminated. Since then, Mexican exports of men's and

boys' woven apparel to the United States have grown by nearly 745 percent, to \$84.5 million in 1999 versus \$10 million in 1993 (Chart 5).

Other examples abound of how product-specific trade between the United States and Mexico has benefited as a result of NAFTA's reduced or zero tariffs. This dynamic has so strengthened overall U.S.–Mexico ties that each country has turned into the top supplier of many goods for the other. Table 2 lists products for which Mexico is the No. 1 supplier to the United States, while Table 3 lists products for which the United States has achieved top supplier status in Mexico. Although each country already enjoyed a strong

Table 2
Mexico Is the Largest World Supplier for the United States in Selected Products

Product	Rank	
	1998	1993
Motor vehicle radio receivers	1	3
Ignition wiring sets	1	1
Medium-size cars	1	6
Trucks	1	1
Vehicle chassis fitted with engines	1	1
Vehicle safety seat belts	1	1
Steering wheels, columns and boxes	1	2
Speedometers and tachometers	1	1
Instrument parts and accessories	1	1
Electric lamps	1	3
Golf club parts	1	2
Solenoid valves	1	2
Nonportable cooking stoves	1	1
Men's jeans	1	1
Coffee	1	5

SOURCE: SECOFI-NAFTA Office, Embassy of Mexico, Washington, D.C.

Table 3
The United States Is the Largest World Supplier for Mexico in Selected Products

Product	Rank	
	1998	1993
Engine parts	1	3
Motor parts other than commutators	1	1
Electrical inductor parts	1	1
Telephonic apparatus parts	1	3
Sound reproducing apparatus	1	2
Ceramic fixed capacitors	1	3
TV picture tubes	1	1
Copper insulated winding wire	1	2
Plastic insulating machine fittings	1	1
Heavy fuel oils	1	1
Polypropylene	1	2
Conveyance or packing articles	1	2
Corrugated cartons, boxes and cases	1	1
Cotton; not carded or combed	1	1
Garments or clothing accessory parts	1	1

SOURCE: SECOFI-NAFTA Office, Embassy of Mexico, Washington, D.C.

Table 4

U.S. Exports to Mexico by State, 1999*(Millions of U.S. dollars)*

State	Top export to Mexico	Total exports to Mexico	1993–99 (percent change)
1 Texas	Electric and electronic equipment	41,412.9	103.2
2 California	Electric and electronic equipment	14,916.0	128.7
3 Arizona	Electric and electronic equipment	3,550.3	84.2
4 Michigan	Transportation equipment	2,616.3	102.0
5 Illinois	Industrial machinery and computer equipment	2,061.9	74.5
6 North Carolina	Apparel and other textile products	1,709.0	237.6
7 New York	Instruments and related products	1,566.3	82.4
8 Ohio	Industrial machinery and computer equipment	1,519.8	102.3
9 Pennsylvania	Chemicals and allied products	1,321.4	102.2
10 Louisiana	Agricultural production, crops	1,310.1	161.3
11 Tennessee	Transportation equipment	1,161.0	148.5
12 Florida	Industrial machinery and computer equipment	1,142.6	51.3
13 Georgia	Electric and electronic equipment	1,041.3	153.4
14 New Jersey	Chemicals and allied products	912.9	80.6
15 Oregon	Industrial machinery and computer equipment	908.9	622.2
16 Indiana	Electric and electronic equipment	812.1	117.2
17 South Carolina	Rubber and plastics products	804.1	454.3
18 Massachusetts	Industrial machinery and computer equipment	679.3	130.3
19 Virginia	Electric and electronic equipment	620.3	186.8
20 Missouri	Electric and electronic equipment	608.0	54.4
21 Wisconsin	Industrial machinery and computer equipment	565.0	95.3
22 Alabama	Apparel and other textile products	550.7	166.1
23 Kentucky	Industrial machinery and computer equipment	461.2	134.0
24 Kansas	Food and kindred products	425.7	50.1
25 Minnesota	Industrial machinery and computer equipment	409.8	69.0

NOTE: Data are based on the origin-of-movement series and are not seasonally adjusted.

SOURCE: Massachusetts Institute for Social and Economic Research.

trade position for many products prior to NAFTA, the agreement has helped consolidate and enhance each country's importance as a source of supply for the other.

BILATERAL EXPORTS BY STATE

U.S.–Mexico trade activity involves all states within the United States and Mexico. All 50 U.S. states, in addition to the District of Columbia, Puerto Rico and the Virgin Islands, export to Mexico. Likewise, all Mexican states, plus the Federal District (Mexico's equivalent of the District of Columbia), export to the United States. As expected, while some states in each country are high exporters, others are negligible participants in this bilateral trade scene.

U.S. Exports to Mexico by State

Table 4 shows U.S. exports to Mexico for the top 25 exporting states in 1999, along with the state's top export to Mexico in 1999 and gain in exports to Mexico during NAFTA's first six years. The rankings are based on origin-of-movement (OM)

data gathered by the U.S. Census Bureau's Foreign Trade Division and compiled by the Massachusetts Institute for Social and Economic Research (MISER). (For a more detailed discussion of export data, see the box entitled "MISER State Export Data Series.") Of all the states, Texas generates the highest level of U.S. exports to Mexico. In 1999, Texas exports to Mexico reached \$41.4 billion and represented 47.6 percent of the country's total exports to Mexico. During NAFTA's first six years, Texas exports to Mexico grew more than 103 percent. Other top exporting states to Mexico in 1999 were California, Arizona, Michigan, Illinois, North Carolina, New York, Ohio, Pennsylvania and Louisiana.

Mexico's Exports to the United States by State

Mexico's Federal District, which comprises the nation's capital, Mexico City, generated the largest level of exports to the United States in 1999.⁸ This area's exports reached \$21.2 billion and represented over 17 percent of the country's total. Other top 10 exporters to the United States were Chihuahua, Baja California, Tamaulipas, Nuevo León, Puebla, Sonora, Coahuila, state of Mexico and Jalisco. Table

Table 5

Mexican Exports to the United States by State, 1999*(Millions of U.S. dollars)*

State	Top export to U.S.	Total exports to United States
Nonspecified states		41,539
1 Federal District	Vehicles, not railway	21,244
2 Chihuahua	Electrical machinery; sound/TV equipment	13,371
3 Baja California	Electrical machinery; sound/TV equipment	10,125
4 Tamaulipas	Electrical machinery; sound/TV equipment	8,252
5 Nuevo León	Electrical machinery; sound/TV equipment	4,912
6 Puebla	Vehicles, not railway	4,352
7 Sonora	Electrical machinery; sound/TV equipment	3,887
8 Coahuila	Electrical machinery; sound/TV equipment	3,504
9 State of Mexico	Vehicles, not railway	2,624
10 Jalisco	Beverages	1,002
11 Guanajuato	Electrical machinery; sound/TV equipment	945
12 Querétaro	Vehicles, not railway	763
13 San Luis Potosí	Electrical machinery; sound/TV equipment	610
14 Durango	Woven apparel	582
15 Sinaloa	Vegetables	493
16 Michoacán	Iron or steel products	445
17 Veracruz	Spices, coffee and tea	373
18 Aguascalientes	Woven apparel	354
19 Yucatán	Precious stones, metals	290
20 Morelos	Optic; medical instruments	228

NOTE: Data are not seasonally adjusted.

SOURCE: Banco Nacional de Comercio Exterior with data from Secretaría de Comercio y Fomento Industrial.

5 shows Mexico's exports to the United States for the top 20 exporting states in 1999 and the state's top export to the United States that year.⁹

U.S.–Mexico Trade at the Border

As expected, a significant portion of this trade goes through ports along the U.S.–Mexico border. In 1999, almost 89 percent of U.S.–Mexico trade, equivalent to \$174.4 billion, went through the 27 ports of entry along the border. Table 6 shows these border ports with their 1999 bilateral trade levels. Not surprisingly, since about half of the border the United States shares with Mexico is with Texas, six of the top 10 border ports for U.S.–Mexico trade are in this state, including the top two, Laredo and El Paso.

CONCLUSION

Much of U.S.–Mexico trade is intra-industry. This is a reflection of the specialization within an industry, and across countries, that international trade promotes. Beyond increasing overall trade between the United States and Mexico, NAFTA has resulted in especially dynamic bilateral trade growth in specific products that were liberalized directly by the agreement. Although U.S.–Mexico trade spans all regions within the two countries,

some states are more prominent exporters than others. The border between the United States and Mexico plays a special role since it is the conduit for the majority of U.S.–Mexico trade.

—Lucinda Vargas

NOTES

Jesus Cañas contributed to this article.

¹ See Roy J. Ruffin, "The Nature and Significance of Intra-Industry Trade," Federal Reserve Bank of Dallas *Economic and Financial Review*, Fourth Quarter 1999, pp. 2–9.

² The next issue of *Business Frontier* will focus on NAFTA and maquiladoras. Also, for a recent overview of the maquiladora industry, see Lucinda Vargas, "The Binational Importance of the Maquiladora Industry," Federal Reserve Bank of Dallas *Southwest Economy*, Issue 6, November/December 1999, pp. 1–5.

³ U.S. computer exports to Mexico are included in tariff classification 8471 under the Harmonized Tariff Schedule (HTS) of the United States. This category includes the following product groups: automatic data processing machines and units thereof; magnetic or optical readers; machines for transcribing data onto data media in coded form; and machines for processing such data, not elsewhere specified or included. This tariff classification includes 22 subcategories of computer or data processing equipment, of which 16 had a pre-NAFTA tariff rate of 20 percent and six had a 10 percent tariff rate. The 17.3 percent average tariff rate cited in the text for computers is a simple average of all these subcategories.

Table 6

U.S.–Mexican Trade by Border Port of Entry, 1999

(Millions of U.S. dollars)

Border port	Exports to Mexico	Imports from Mexico	Total trade	Share of border trade (percent)
1 Laredo, Texas	29,864.8	35,605.8	65,470.6	37.5
2 El Paso, Texas	12,994.3	19,442.6	32,436.9	18.6
3 Otay Mesa–San Ysidro, Calif.	6,288.4	9,900.0	16,188.4	9.3
4 Brownsville, Texas	5,727.6	5,066.5	10,794.1	6.2
5 Nogales, Ariz.	4,159.6	6,499.8	10,659.4	6.1
6 Hidalgo, Texas	4,588.6	5,425.1	10,013.7	5.7
7 Calexico, Calif.	3,436.6	4,718.6	8,155.2	4.7
8 Eagle Pass, Texas	3,590.7	3,585.9	7,176.6	4.1
9 San Diego, Calif.	558.0	3,399.3	3,957.3	2.3
10 Del Rio, Texas	1,195.5	1,319.3	2,514.8	1.4
11 Phoenix, Ariz.	568.1	700.1	1,268.2	.7
12 San Luis, Ariz.	368.7	875.4	1,244.1	.7
13 Tecate, Calif.	469.2	525.1	994.3	.6
14 Douglas, Ariz.	297.0	536.5	833.5	.5
15 Tucson, Ariz.	148.6	675.7	824.3	.5
16 Doña Ana County, N.M.	5.5	665.7	671.2	.4
17 Naco, Ariz.	77.8	202.7	280.5	.2
18 Presidio, Texas	113.5	124.2	237.7	.1
19 Rio Grande City, Texas	120.4	91.3	211.7	.1
20 Roma, Texas	124.6	69.4	194.0	.1
21 Progreso, Texas	138.6	43.0	181.6	.1
22 Albuquerque, N.M.	52.8	5.6	58.4	.03
23 Columbus, N.M.	5.2	32.7	37.9	.02
24 Lukeville, Ariz.	6.5	1.8	8.3	.001
25 Andrade, Calif.	8.2	0	8.2	.001
26 Sasabe, Ariz.	4.5	.3	4.8	.003
27 Fabens, Texas	.1	0	.1	0
Total all border ports	74,913.4	99,512.4	174,425.8	100.0

NOTE: U.S. Customs Service still reports data for the port of San Ysidro even though this is purely a vehicle and pedestrian port and no longer a commercial port. Cargo traffic reported under San Ysidro actually goes through the port of Otay Mesa. Thus, the analysis here combines the data provided for the two ports as representing a single port of entry. Trade through the Doña Ana County port may be understated since customs officials assign the code for the nearby port of El Paso to some commercial cargo vehicles going through this port. Also, export data for this port include both land and air traffic, though exports crossing by air represent only 18 percent of the total.

SOURCE: Texas Center for Border Economic and Enterprise Development, Texas A&M International University, with data from U.S. Department of Commerce.

NAFTA eliminated Mexican tariffs on 16 of the 22 subcategories of computer exports on January 1, 1994. The remaining six subcategories saw their tariffs eliminated within a five-year period, from 1994 through 1998, so that today all computer exports enter Mexico duty-free.

⁴ U.S. tractor exports to Mexico are included in HTS tariff classification 8701, which comprises vehicles constructed essentially for hauling or pushing another vehicle, appliance or load, whether or not they contain subsidiary provision for the transport, in connection with the main use of the tractor, of tools, seeds, fertilizers or other goods. There are seven subcategories under this tariff classification, of which two have a tariff rate of 20 percent, two have a 10 percent rate and three have a 15 percent rate. The average of all these rates is 15 percent, the figure cited in the text. Moreover, tractor exports fall under three different schemes of tariff liberalization. Of the seven subcategories of tractor exports, two had their tariffs removed on January 1, 1994, at the start of the agreement; four were to be liberalized within the agreement's first five years, between 1994 and 1998, so they are now duty-free; and the seventh was to be liberalized within the agreement's first 10 years, so will be duty-free in 2003.

⁵ For a discussion of the impact on U.S.–Mexico trade of

Mexico's December 1994 peso devaluation and 1995 economic crisis, see Federal Reserve Bank of Dallas El Paso Branch *Business Frontier*, Issue 1, 2000.

⁶ Mexican exports of televisions to the United States are included under HTS tariff classification 8528, which includes reception apparatus for television, whether or not incorporating radio broadcast receivers or sound or video recording or reproducing apparatus, video monitors or video projectors. Of the 16 subcategories that compose this four-digit tariff classification, prior to NAFTA nine subcategories had a 5 percent tariff rate and seven had a 3.9 percent rate. Thus, the average tariff for all 16 subcategories was 4.5 percent, the figure cited in the text.

⁷ Textiles and apparel products tend to have complicated tariff and quota protection schemes. In the case of woven apparel, a component of these goods had a base tariff rate in 1993 equivalent to 52.9 cents per kilogram plus 21 percent; another component had a base rate of 7.5 percent. This demonstrates that the tax applied to many goods is rarely straightforward or standard; it may vary by the specific subproduct and even by the quantity of product or subproduct being imported.

⁸ The largest concentration of Mexican exports to the United States is under an "insufficiently specified" state category.

MISER State Export Data Series

State-specific exports for the United States are measured in two ways—origin of movement (OM) and exporter location (EL). OM data reflect the state from which the merchandise starts its movement to the port of export, while EL data are based on the exporter's location. Both data series are collected by the U.S. Census Bureau's Foreign Trade Division and compiled by the Massachusetts Institute for Social and Economic Research (MISER).

MISER has produced the OM series since 1987 under an agreement with the Foreign Trade Division. MISER improves the Census Bureau's unadjusted data, which contain records with missing states and industries, by filling in the missing information through an imputation algorithm developed at MISER and approved by the Census Bureau. The data source is the Shippers Export Declaration (SED).

In 1993 the Census Bureau began the EL series based on the state of the exporter, which is also reported on the SED. MISER fills in missing states and industries in this series using the same imputation algorithm as under the OM series. The EL series has fewer missing data than the OM series.

The Census Bureau and MISER recognize that both series have limitations. Under the OM series, for example, the state reporting the exports may not be the state where the product was manufactured, grown or mined; it may be the state of a broker, wholesaler or freight consolidator. As a result, the series may overstate exports for the major port states and understate exports for other states. This explains why Louisiana appears among the top 10 exporting states under the OM series. Agricultural crops from interior states are shipped via the Mississippi River and leave the United States through Louisiana, where they are recorded as OM data. The problem is more acute for agricultural shipments, less so for manufactured exports.

The EL series incorporates data that even more fre-

quently than the OM series reflect the state of a broker, a wholesaler or an exporting company's headquarters or marketing division, which may or may not be in the same state where the export was produced. As a result, according to the EL series, New York is one of the largest exporters of agricultural products. Thus, both the OM and EL series suffer from the same problem: recording brokers, wholesalers or company headquarters alongside actual export generators or export locations. Despite these limitations, however, the MISER series are well accepted data sources, and the MISER-adjusted OM export series data are generally acknowledged as the best available on state exports.¹

The differences noted above become obvious in examining state exports to Mexico under the EL series. EL data for 1999 show lower volumes for some states and higher volumes for others than under the OM series, yielding a slightly different ranking of states by export volume. The top 10 exporting states to Mexico in 1999 under the EL series were, in descending order, Texas, California, Michigan, Indiana, Illinois, Pennsylvania, Ohio, Arizona, New York and North Carolina. The EL series includes nine of the top 10 states under the OM series and also ranks Texas, California and Illinois as No. 1, No. 2 and No. 5, respectively. However, it ranks the remaining states differently and replaces Louisiana with Indiana.

The two series may also show variations in the states' leading exports. For example, while Pennsylvania's top export to Mexico under the OM series in 1999 was chemicals and allied products, it was electric and electronic equipment under the EL series.

¹ The Census Bureau cautions that neither the OM nor the EL series completely measures the state and local pattern of U.S. export production. For more information on this topic, see www.census.gov/foreign-trade/aip/elom.html.

When looking at figures for specific locations, however, the Federal District has the next highest concentration. As with U.S. exports by state, Mexican export data may reflect either the origin of movement or the location of the exporter. Thus, the data may imply the location of a broker, wholesaler or distributor rather than the state where the export product was generated. Mexican export data do not define the collection method used, nor do we know to what extent they overstate or understate actual exports. However, it is still possible to detect some overstatement, as with the Federal District data. Because this area has traditionally been an important center of distribution for goods out of Mexico, the export data may be capturing—at least in part—the area's distribution role. This is not to say, however, that the data do not represent some of the area's export generation since the Federal District does also have an important export base.

⁹ Mexican exports by state are not available for the full period 1993–99.

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