

MEXICO, NET MINERAL EXPORTER

CAMIMEX reported that Mexico's mineral-metallurgic sector registered a trade surplus in 2018, reaching US\$5.6 billion. Exports, which amounted to US\$18.23 billion, grew 3 percent compared to the previous year. Precious metals corresponded to 38 percent of total exports, while industrial metals added up to 55 percent. The remaining 7 percent is associated to non-metallic minerals. Moreover, a higher mineral bulk volume left the country in 2018 than in 2017: Mexico's Ministry of Communication and Transport registered 25.77 million tons, which translates into a yearly change of 10.9 percent. Total load transportation in Mexico's mining industry was 4.5 percent higher in 2018 than the previous year, registering 74.9 million tons.

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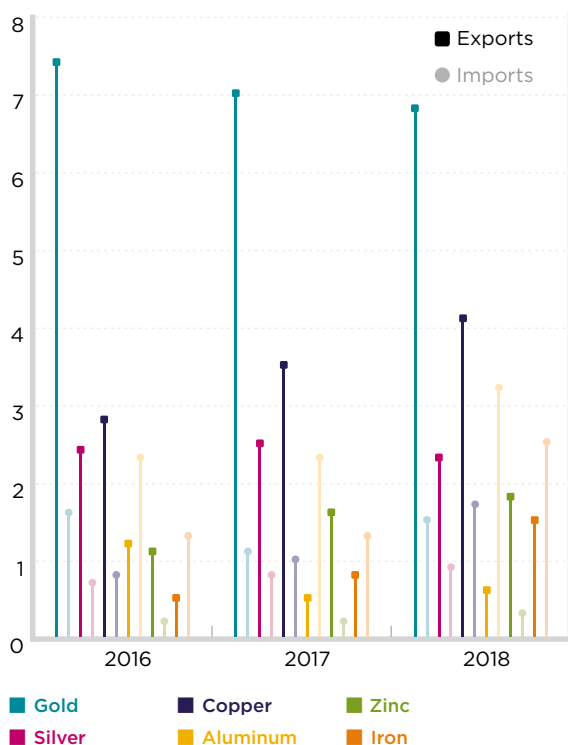
Mexico's gold exports in 2018 amounted to US\$6.8 billion, while the country imported US\$1.5 billion worth of gold. As CAMIMEX points out, about 75 percent of the national gold production is obtained via doré. The rest is found in lead and zinc concentrates, and local refining capacity for these is insufficient. Even when it is impossible to measure doré production precisely, the organization estimates that most of Mexico's increase in gold exports correspond to doré. An

argument in favor of this is that unitary transportation costs of doré product is relatively low.

With respect to silver, around 30 percent of Mexico's production is obtained via doré. Part of this is exported, generally accompanied by gold, which, as CAMIMEX says, is favored by the abundance of refineries in the world. Even if there is no specific trade category for doré, a clear tendency signals increasing silver exports from 2014 to 2018.

Regarding zinc, the same organization pinpoints Mexico's growth as a zinc exporter on the country's recent zinc mining boom, added to its lack of refining capacity. Peñasquito and Velardeña mines are key in this tendency. The Ministry of Economy says that Mexico's zinc exports in 2018 were 9 percent higher than in 2017. New projects, such as Capela, Juanicipio, Los Gatos, San Martin and Buenavista Zinc, will keep Mexico's net zinc concentrate exports in the black. But Mexico is also a net exporter of refined zinc, sending this product mainly to the US. As exported volumes decreased until 2016, CAMIMEX posits that internal consumption might have recuperated in this period. On the other hand, the export increase in the last two years, might be a sign of a weaker national market, perhaps attributable to a less dynamic steel sector, potentially as a result of US tariffs. With respect to refined copper, Mexico's balance sheet registered a surplus. The country exported 137,735 tons, mainly to the US and China, while only importing 54,577 tons, chiefly from Chile.

MINING EXPORTS AND IMPORTS 2016-2018 (US\$billion)



MINING EXPORTS AND IMPORTS BY COUNTRY 2016-2018 (US\$billion)

