

COUNTRY PROFILE



Mexico

GLOBAL RANK: 43rd= of 104



Ranked 43rd overall, tied with Brazil, Mexico ranks better on Comparative Liveability (39th) than on Economic Competitiveness (49th), due to a favourable climate and strong religious faith.

● BACKGROUND

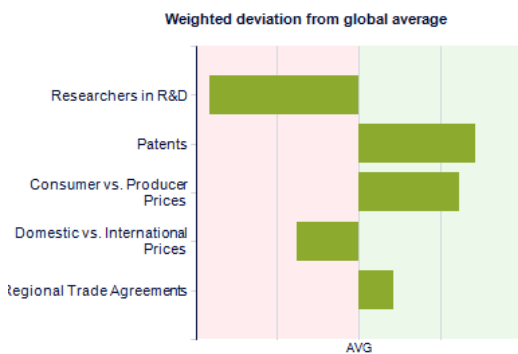
Mexico's economy has grown strongly in recent years, benefiting from a series of bilateral free trade agreements and an improving tax and regulatory framework for international business. However, many key economic sectors remain uncompetitive and controlled by monopolies, and the economy is still highly dependent on the US as a market for its low-cost maquiladora manufacturers. There are wide economic disparities between the wealthier north and the more rural southern regions of Oaxaca and Chiapas. Poverty is particularly widespread among the indigenous minorities. Levels of violent drug-related crime are high, exacerbated by widespread corruption in the local police.

FAST FACTS

Population:	110 million (2008 est.)	FDI (net inflow):	2.81% (2006 est.)
Life Today	6.5 (2007 est.)	Exports	29.81% (2006 est.)
GDP (PPP)	\$1.3 trillion (2007 est.)	Imports	31.92% (2006 est.)
GDP (Growth)	3.3% (2007 est.)	Unemployment:	3.7% (2007 est.)
GDP (per Capita)	\$12,800 (2007 est.)	Life Expectancy	75.84 years (2008 est.)
Political System:	Federal Republic		
Foreign Aid:	0.03% (2006 est.)		

● KEY SCORE DRIVERS

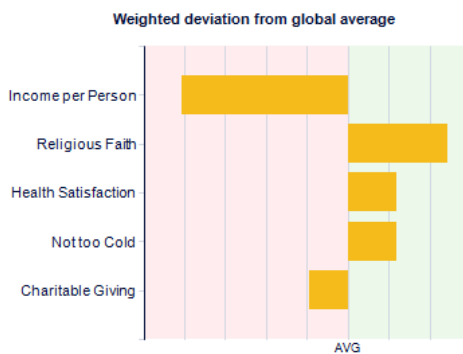
ECONOMIC COMPETITIVENESS



A low number of researchers in research and development reflects a shortage of highly-skilled human capital, necessary for innovation. This weakness appears also in Mexico's score for mass education, with the average Mexican worker having only 2.3 years of secondary schooling.

However, entrance into the North American Free Trade Area, a regional trade agreement, has had a positive impact on the Mexican economy, helping the country to benefit from commercialisation of technology. Mexico's patents score is relatively high, and fully 5% of Mexico's GDP derives from exports of high-technology goods.

COMPARATIVE LIVEABILITY



The country maintains some strong traditions that appear to contribute positively to wellbeing. Mexicans are among the most religious people in the Index, according to the World Values Survey, and perhaps partially as a result, divorce is relatively rare. According to the Gallup World Poll, nearly 90%⁹ of Mexicans agree with the statement that they have someone they can rely on if they are in trouble, suggesting a close family life.

Low incomes and poverty present a challenge. Almost 18% of the population live in extreme poverty, while around 20% live in moderate poverty.

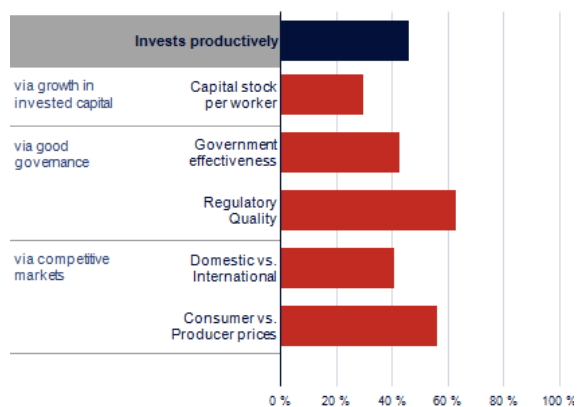
Despite these problems of poverty, Mexicans report themselves very

Indicators of competition in Mexican markets paint a mixed picture. Consumer prices move in line with retail prices, but prices in domestic markets have fallen more slowly than prices in global markets, suggesting a lack of competition in some sectors.

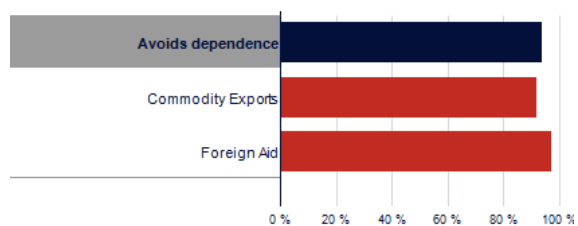
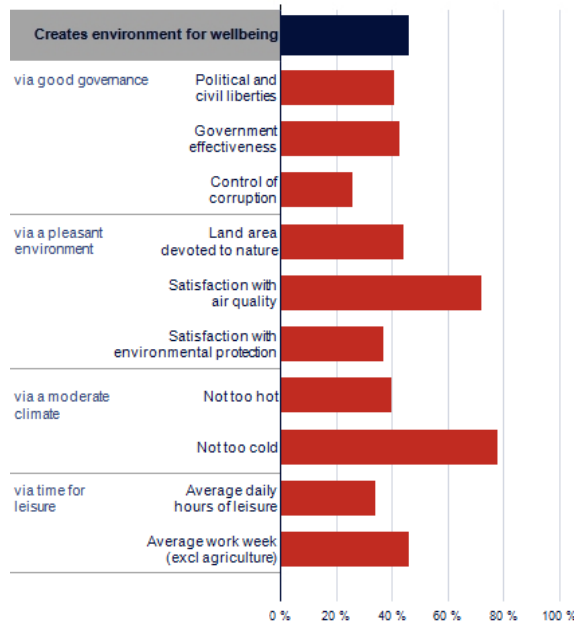
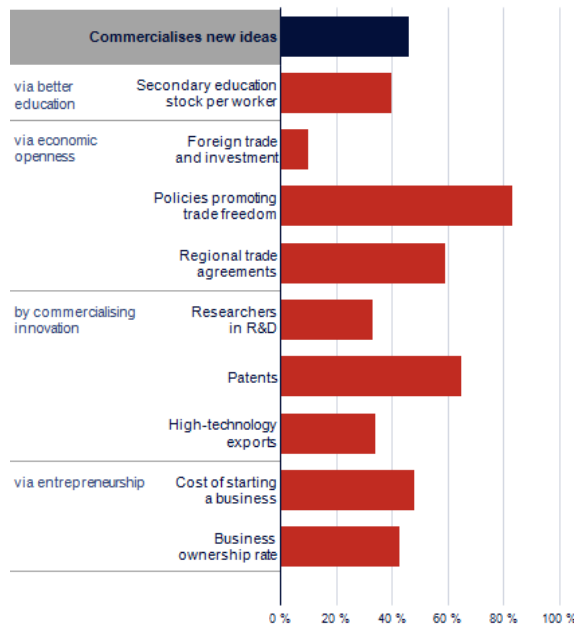
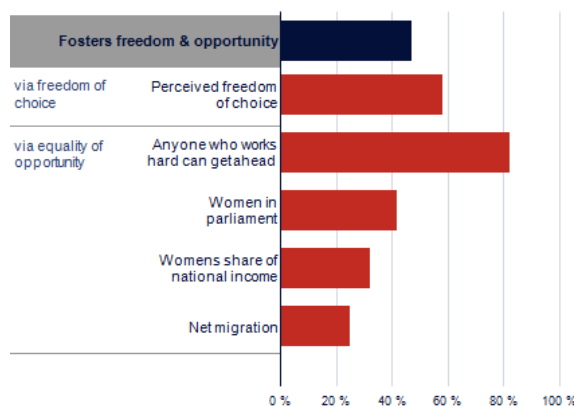
satisfied with their health, and their health-adjusted life expectancy is also well above the global mean. The country's warm climate is another strong positive influence on wellbeing, meaning even those who are unable to afford adequate housing can get by.

On social capital, the country fares relatively poorly. Community-based organisations are weak in comparison with regional neighbours, and only 22%^w of Mexicans report high levels of trust in their fellow citizens, according to the World Values Survey. Furthermore, only 24%^g report they give money to charity, according to Gallup.

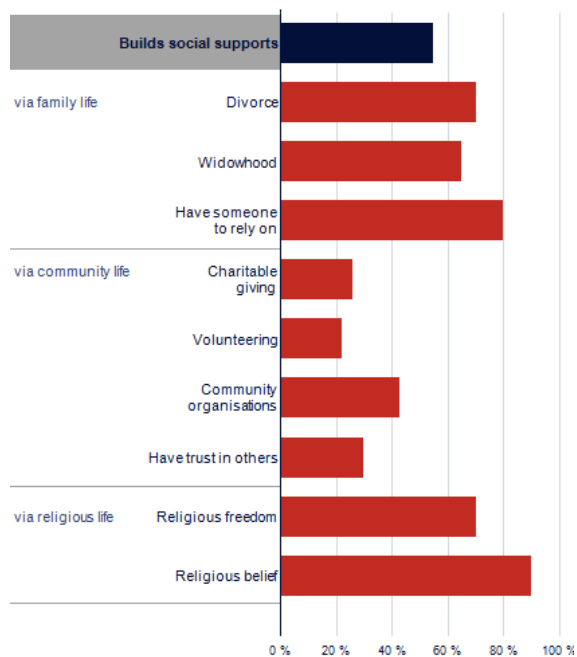
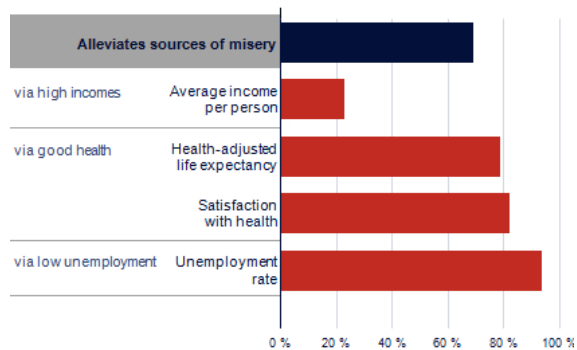
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.