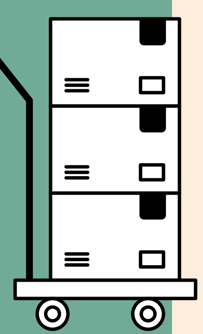
The integration of courier services in the USMCA/T-MEC region

This infographic was prepared by México, ¿cómo vamos? using information from The North American Project, the OECD, U.S. Customs and Border Protection, the Congressional Research Service, Statistics Canada, the U.S. Census Bureau, and INEGI.

How do courier and parcel delivery services power North America's competitiveness?



By connecting the country to **global value chains,** they **strengthen regional competitiveness** and **create quality jobs.** Their role is reflected in:

→ Mexico's manufacturing industry

→ North America's co-production model

→ The agile flow of documents and goods among firms, government, and households

→ Strategic invisible infrastructure that supported the response to the COVID-19 health emergency

Between 2023 and 2024, express shipments grew by 36% year over year, underscoring their logistical relevance for industrial competitiveness and regional trade (CBP).

Regulatory framework and trilateral integration

Chapter 7 of the USMCA/T-MEC, Article 7.8 Express Shipments, establishes expedited and specific customs procedures for these shipments, without distinction by value or weight, and incorporates minimis thresholds under which customs duties—and, where applicable, taxes—are waived.

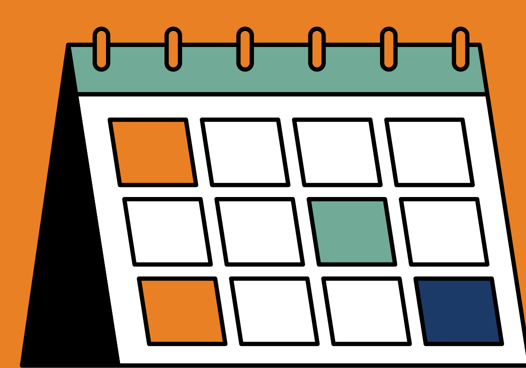
→ A solid regulatory framework promotes investment and the digital integration of trade under the USMCA/T-MEC, raising regional competitiveness.

Expedited and specific customs procedures enable express logistics chains:

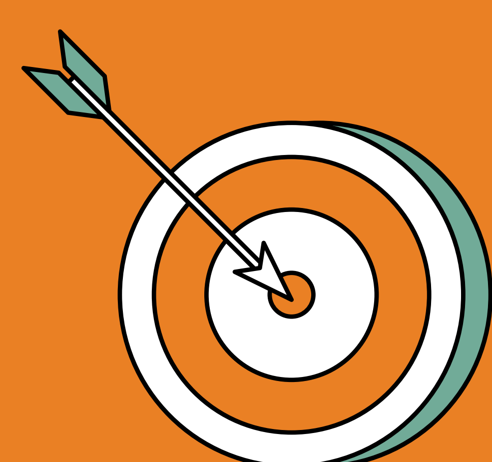
→ They allow just-in-time deliveries through courier operators and facilitate the integration of SMEs into value chains without intermediary costs.

De minimis threshold:

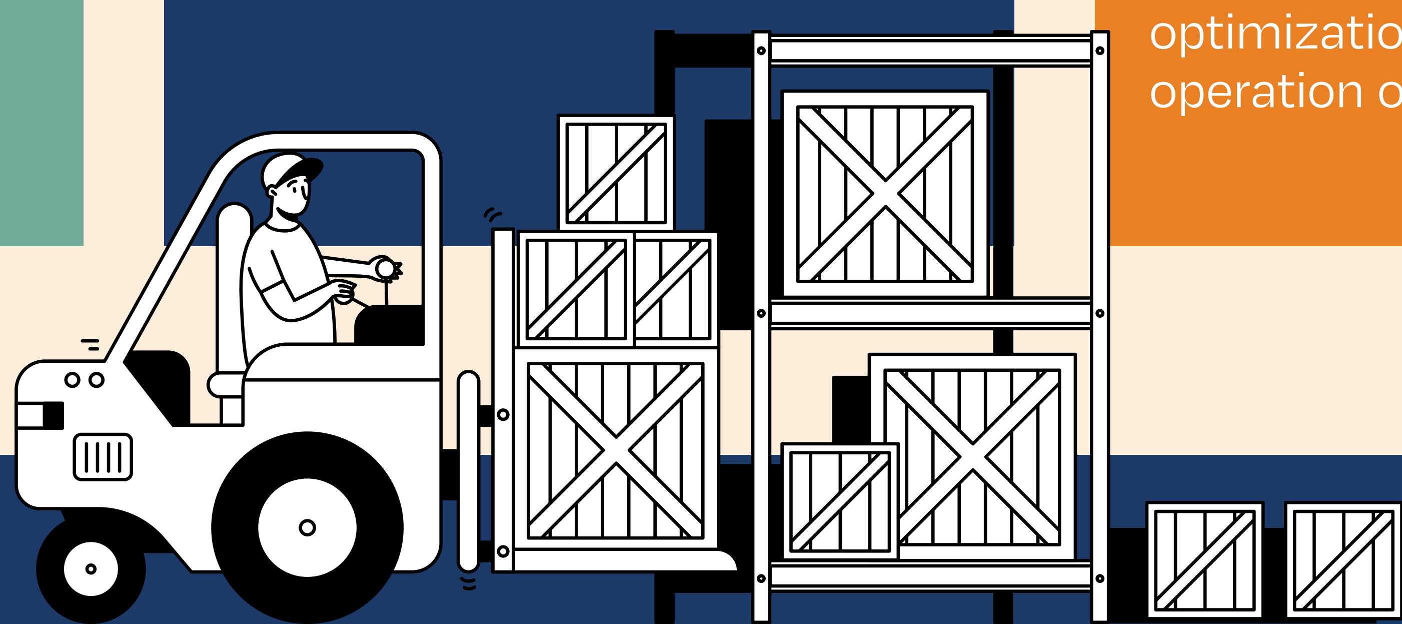
Defines the maximum value for importing without duties or full customs procedures.



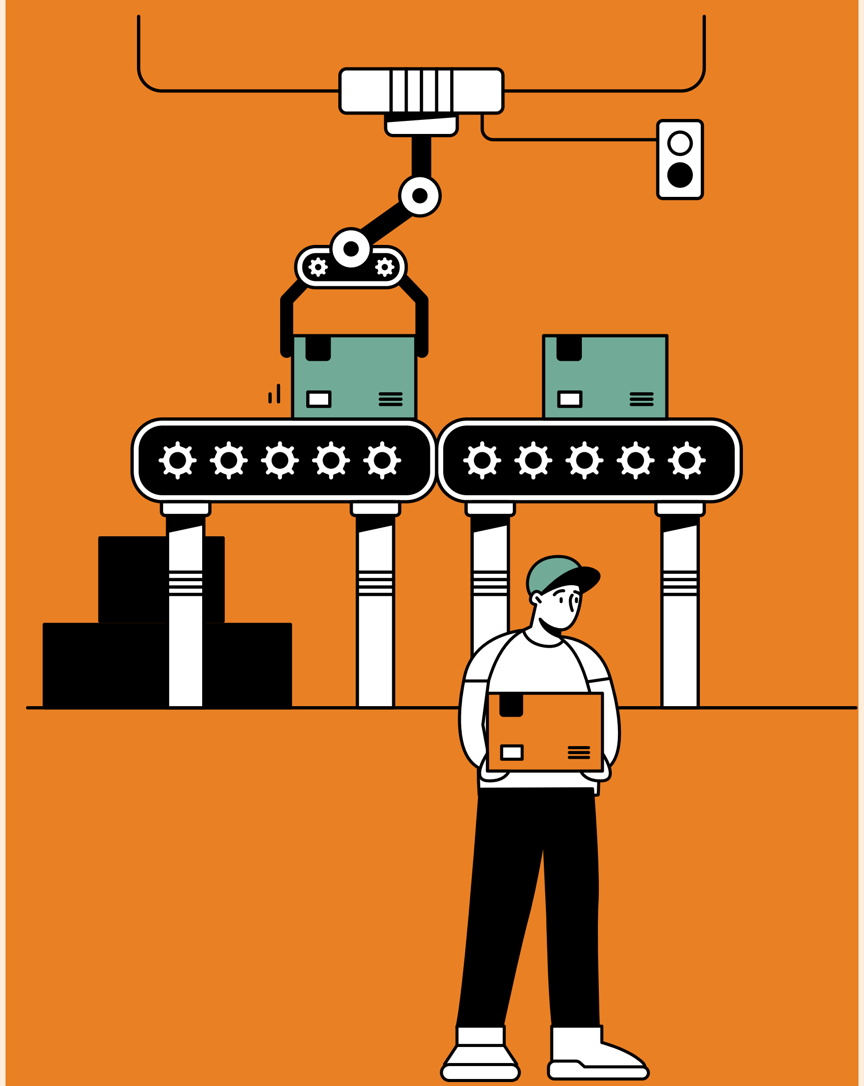
Reduces costs and delivery times, enabling vertical integration.



Is key to just-in-time, inventory optimization and the continuous operation of production lines.



Courier and parcel delivery services and manufacturing industries



The **competitiveness of manufacturing industries in the USMCA/T-MEC partner** countries depends on **logistical agility.** These services facilitate productive integration among complementary economies and prevent disruptions in production.

Manufacturing sector share of GDP (Q3 2025):

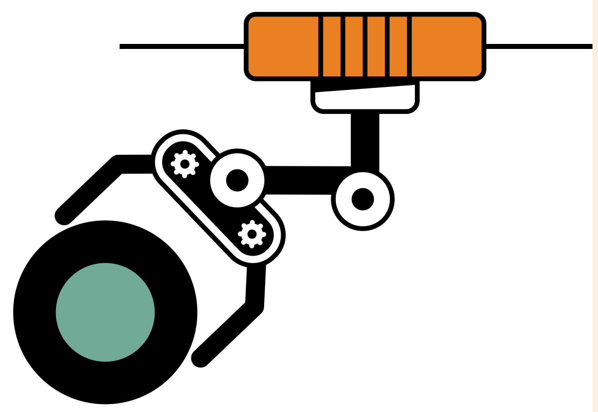
21.4% of GDP, the largest share in the economy

9.4% of GDP

7.8% of GDP

North America's co-production model

Trade in intermediate goods via courier services blurs the line between domestic and foreign production, strengthening regional supply chains.



The automotive industry is an example of the co-production model, auto parts can cross the borders of the three countries **up to eight times.**

→When an assembler requires a part to export under the USMCA/T-MEC, these services and their regulation enable agile exchanges, essential to keep the automotive supply chain operating.

The USMCA/T-MEC creates an opportunity to strengthen co-production in the technology sector, reinforce regional supply chains, and drive growth and high-paying jobs.

Are courier services and e-commerce the same?

They are not! To protect the co-production model, it is key to understand their differences and intersections in order to regulate without compromising logistical efficiency.

Express courier and parcel delivery (SCIAN subsector 492)

- Fast, trackable deliveries, with delivery windows of hours or days.
- Predominantly Business-to-Business (B2B) shipments and critical industrial logistics.
- Includes consumer online purchases; however, most shipments are between firms.
- Also moves shipments without a commercial transaction: personal effects, samples with no commercial value, and repatriation of belongings.

What courier and parcel delivery services are not

- E-commerce platforms
- Large wholesale firms posing as courier operators
- Freight or passenger transport services
- Last-mile delivery platforms
- Postal services or the state-owned operator

Electronic commerce (e-commerce), the OECD defines it by how the order is placed (digitally), not on how fast it is delivered.

- Orders placed through digital plat-forms, without specifying the logis-tics channel.
- Includes B2B orders placed through digital portals.

NORTH AMERICAN AGRIBUSINESS. ONE MARKET, WITH FOOD SECURITY BUILT ON COMPLEMENTARITIES

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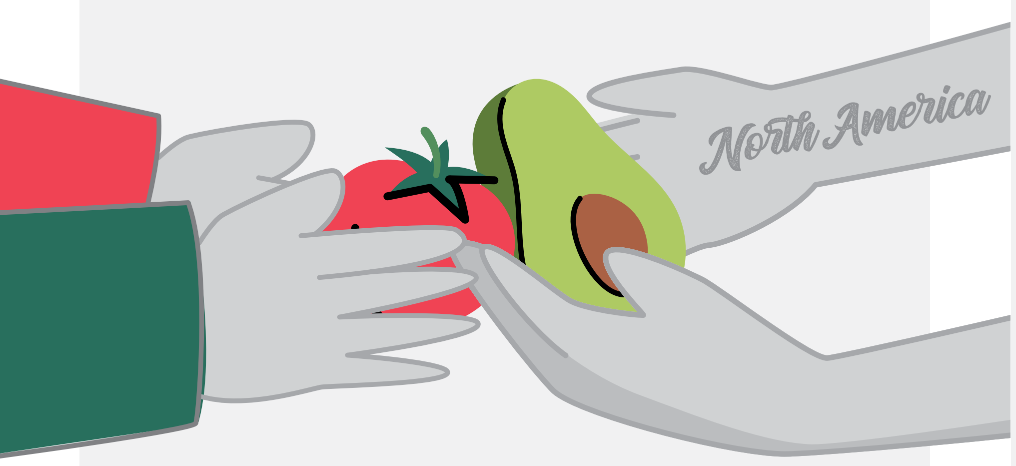
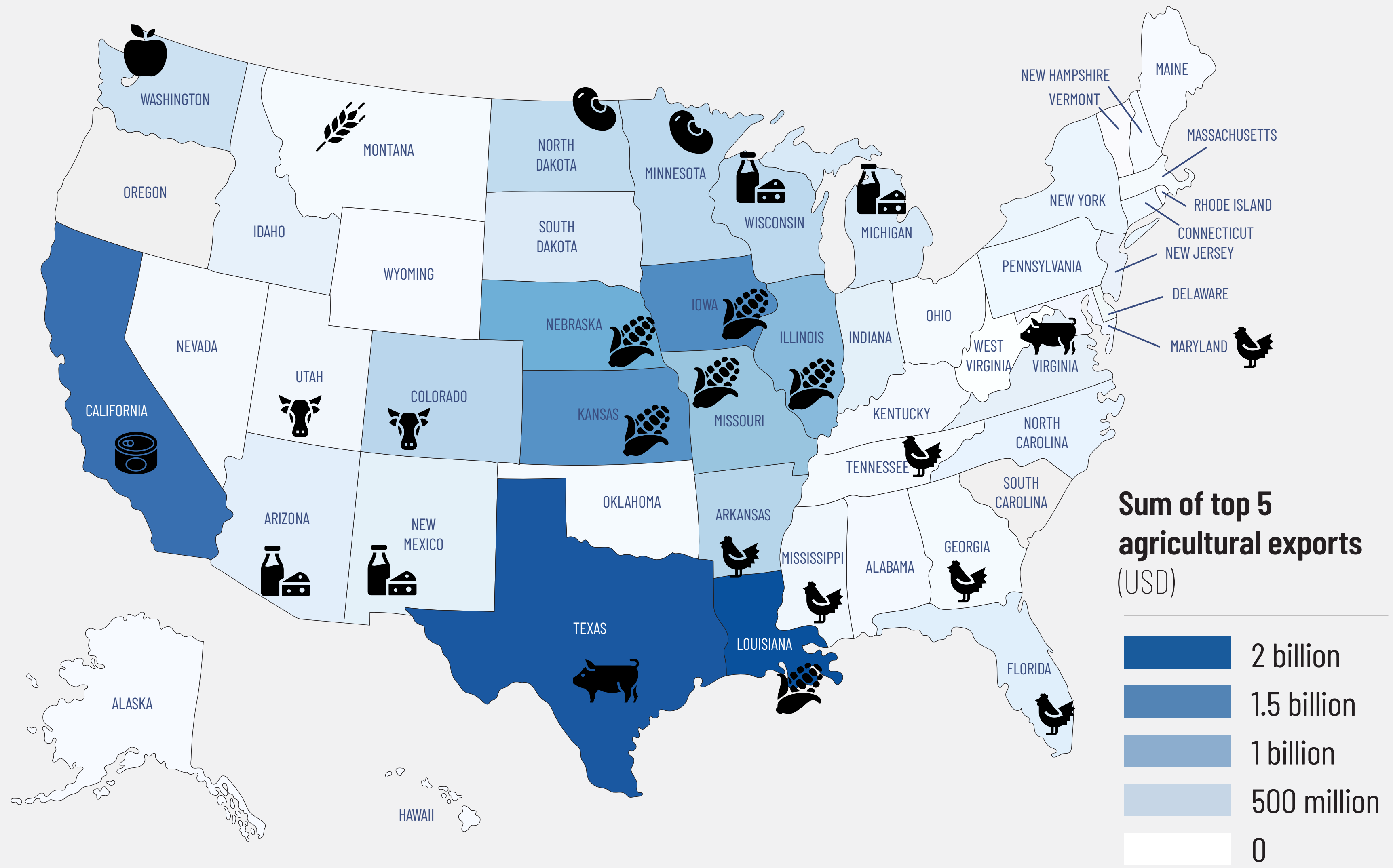
Agro-industrial trade in North America, facilitated by the USMCA, plays a key role in the region's food security.

- Mexico is the primary export market and supplier for U.S. agricultural products.
- As of **2025, Mexico accounted for close to 23% of U.S. agricultural imports** and was the destination for 16.9% of U.S. agricultural exports (U.S. Census Bureau).
- U.S.-Mexico agricultural trade is largely complementary.
  - Mexico buys from the U.S.: corn, pork, dairy products, soybeans, poultry meat and beef.
  - The U.S. buys from Mexico: beer, distilled spirits, fresh fruits and vegetables.
- The U.S. relies on its USMCA partners for agricultural imports more than other countries...
  - The share of agricultural imports from Mexico and Canada is 2.5 times larger than that of the combined value of imports from Italy, Brazil, France, Ireland and China.



Grains, meat, and dairy exports from the U.S. depend heavily on Mexican demand

At the state level producers and consumers benefit from year-round agricultural trade with Mexico.



- In 2025, the top exports to Mexico include commodities such as corn, pork, dairy products, soybeans, poultry and beef meat.
  - The industries responsible for exporting these commodities are key economic engines across U.S. regions, anchoring jobs and production across the country.
  - **Soybean and corn** exports alone supported close to **213,000 jobs, and beef, chicken, and pork** exports supported about **157,000 jobs** (USDA, 2025).
- California, Texas and Louisiana surpassed **$6.5 billion USD in** agricultural exports to Mexico in 2025.

Mexico is a key export market for U.S. states across major agribusiness sectors

- **Corn:** The top U.S. agricultural export to Mexico in 2025, led by **Corn Belt states. Louisiana, Iowa, Illinois, Kansas, Nebraska, and Missouri** all have corn as their main export to Mexico. **Louisiana alone exported over $1.5 billion USD.**

- **Pork: Texas and Virginia** together exported over $1.1 billion USD to Mexico in 2025, accounting for nearly half of total U.S. pork exports to that country.

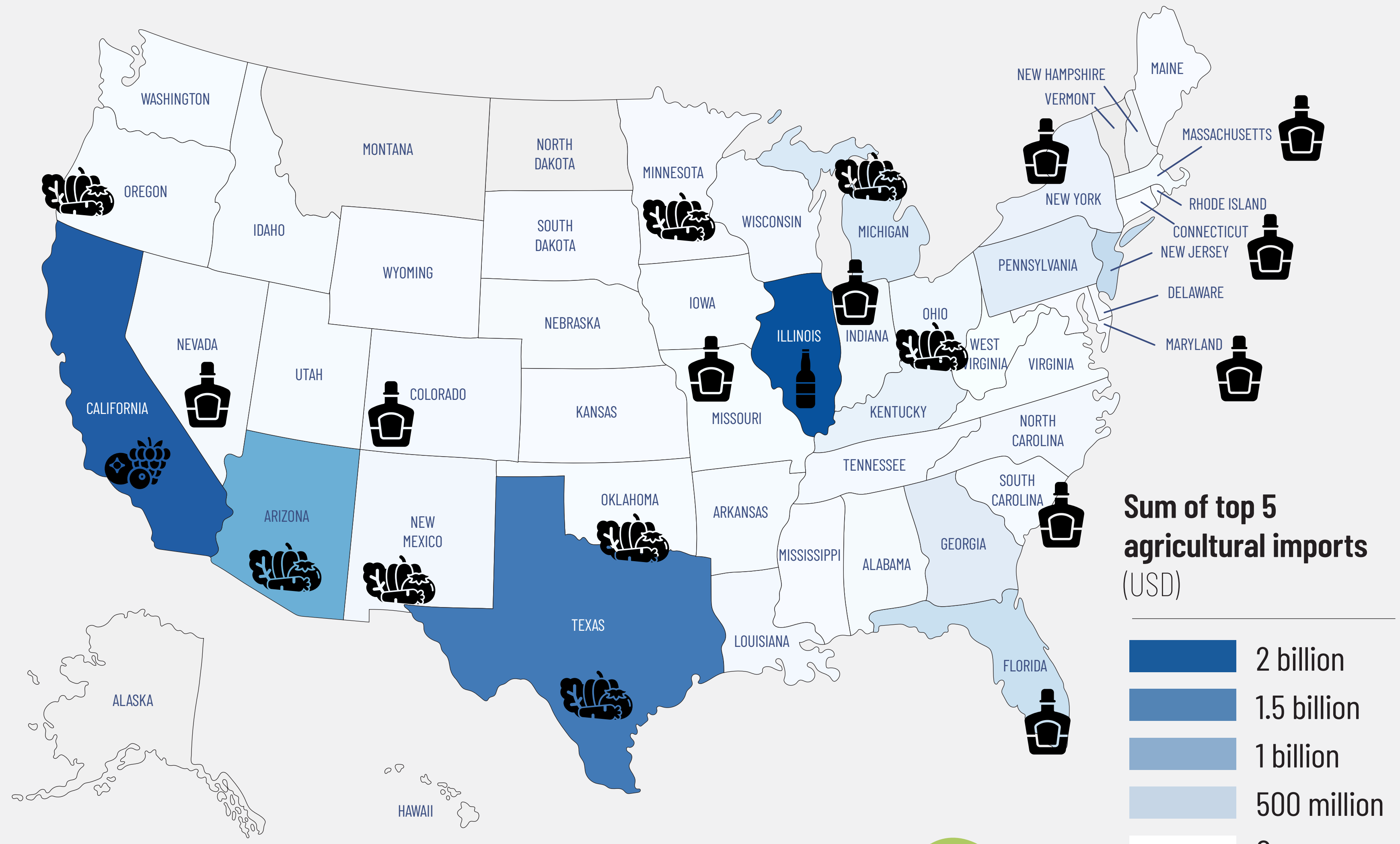
- **Poultry & Beef: Poultry meat** leads exports in **Arkansas,** while **Colorado** stands out in **beef.**

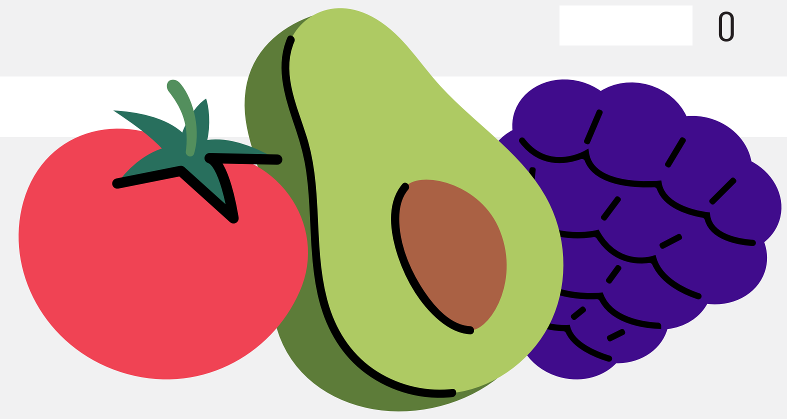
- **Dairy: Michigan, New Mexico, and Wisconsin** are the leading dairy exporters to Mexico.

- **Soybeans:** The main commodity exported to Mexico by **Minnesota, North Dakota, and South Dakota.**

- Other products: **California,** one of the largest agricultural exporters to Mexico, specializes in **food preparations.**

Mexico's fresh fruits and vegetables ensure year-round availability for U.S. consumers





Top imports from Mexico across key U.S. states

- **Fresh vegetables: Arizona, Texas, Michigan and Ohio** are among the U.S states that import this commodity the most from Mexico.
  - **35% of the U.S fresh vegetable availability depends on imports,** and Mexican imports explain **69%** of fresh vegetable imports (USDA)!
  - **Tomato** supply is highly import-dependent, and Mexico is the leading supplier: in 2023, 70% of U.S. tomato supply came from imports, and **Mexico accounted for 90% of that volume.**

- **Fresh fruits (berries): California´s** top agricultural import from Mexico are berries which added to more than $2 billion USD in 2025.
  - Mexico plays a critical role in U.S. berry supply and between 1994 and 2024 the import share of fresh raspberries availability went from 17.3% to 82.3%.
  - Among key fresh fruits, **avocados** stand out, as **88.4% of the fresh avocados available in the U.S.** in 2024 were imported, with Mexico as the dominant supplier.

Raise a glass to Mexico: it keeps the drinks flowing across U.S. states

- **Distilled spirits: Florida, Kentucky, New York and Indiana show** the highest dependence on this product in their agricultural imports from Mexico summing a value of $1.5 billion USD in 2025.

- **Beer: Illinois's** top agricultural import from Mexico is beer. The beer industry exemplifies a binational industry, US producers export key grain inputs to Mexico´s breweries, where they are processed, bottled up, and sent back to the US market for consumption.

SOURCE: Analysis prepared by México, ¿cómo vamos? using data from the Economic Research Service and Foreign Agricultural Service from the U.S. Department of Agriculture.

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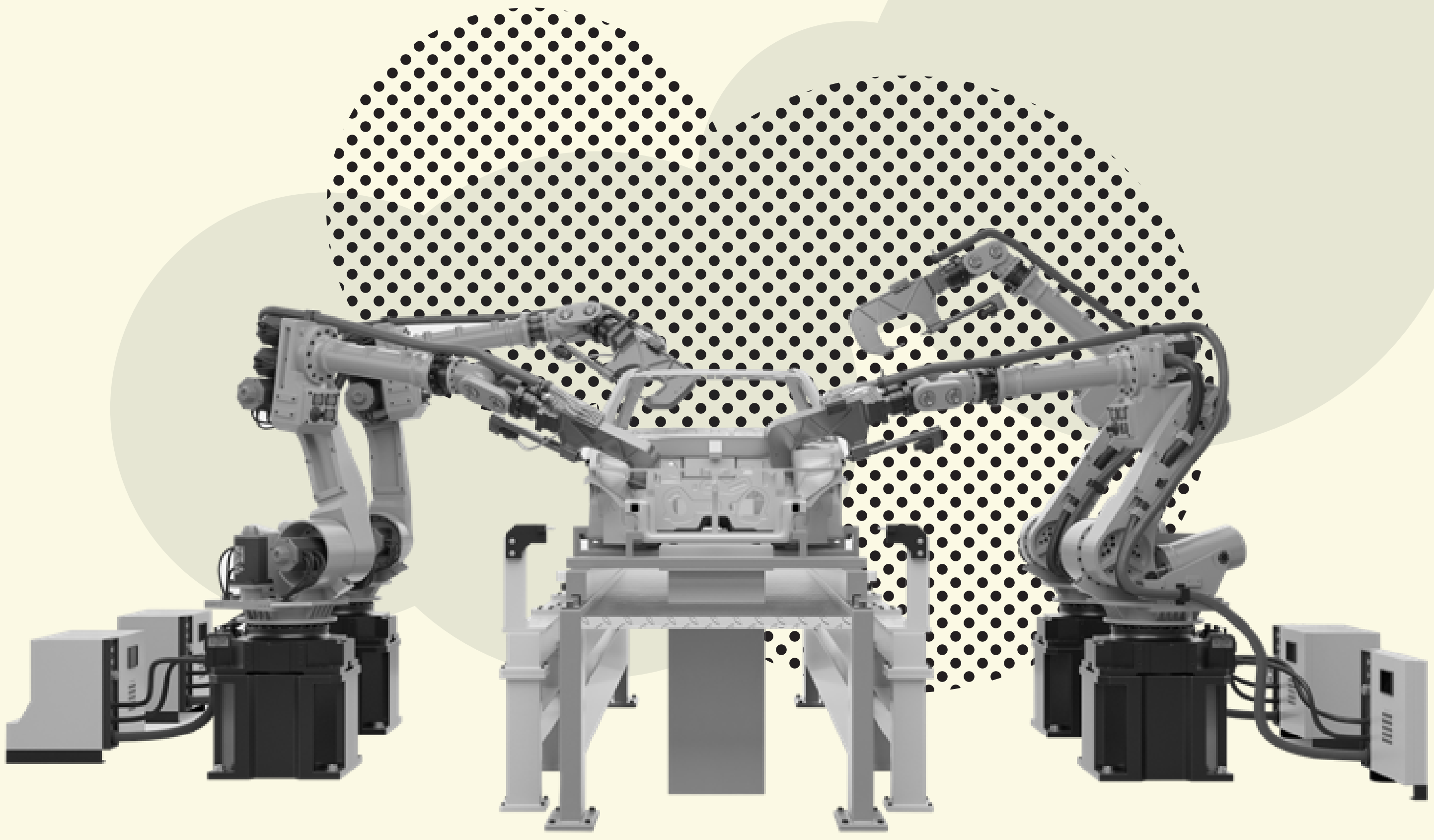
The Auto Industry: North America's most integrated value chain



The auto industry drives trade in the region

The auto industry remains North America's flagship co-production chain and has historically accounted for around one-fifth of USMCA trade.

North America's auto industry by numbers

Production: North America produced more than **15.5 million motor vehicles in 2025, 14.3% below its 2016 peak**.

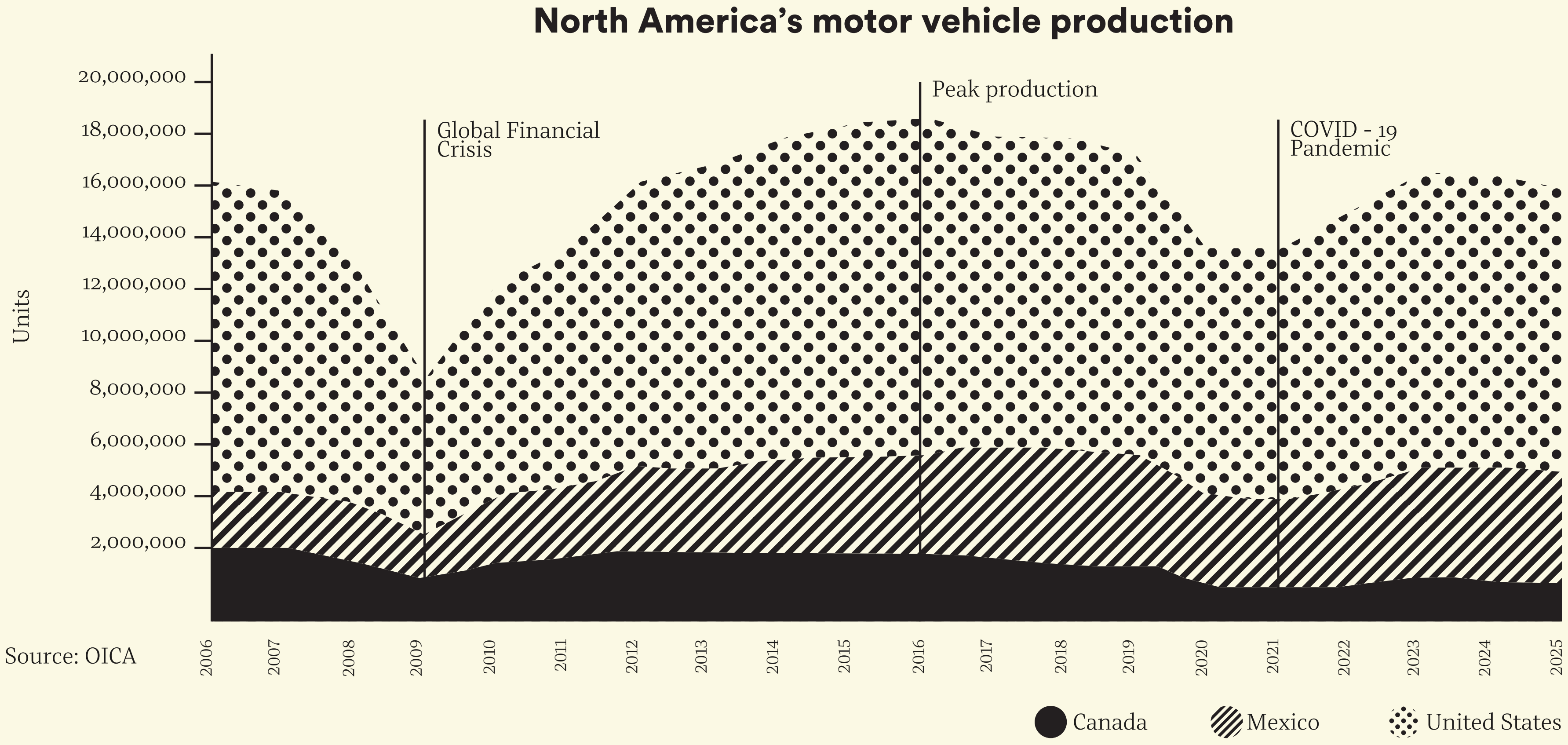
The United States accounts for nearly two-thirds of North American vehicle production, Mexico for one-quarter, and Canada for the rest (OICA).

North America is an automotive powerhouse

If the U.S. Auto Industry were a country, its economic contribution would rank #17 on the list of largest countries by GDP (Alliance for Automotive Innovation, 2023).

Mexico was the seventh-largest vehicle manufacturer and Canada the 11th (USITC, 2024).

North America's motor vehicle production



Source: OICA

Jobs:

United States: 10.9 million jobs supported by the automotive industry, with roughly 975,000 direct jobs in motor vehicle, body/trailer, and parts manufacturing in 2025. (AAI,FRED).

- One in 20 jobs across the country is supported by the auto industry, including direct manufacturing and upstream suppliers, as well as downstream distribution, retail, maintenance, and aftermarket services (Data Driven).

Mexico: 1 million direct jobs, and impacts **20 million jobs across multiple sectors** (2025,AMIA).

Canada: 500,000 jobs supported by the automotive industry (2025, StatCan).

USMCA 2026 review: rules of origin assumptions and implications

This section is based on the Finamex report Two Risk Pillars: A Comprehensive View on the USMCA 2026 Review (May 2026).

Industrial policy assumes that stricter rules of origin lead to more North American manufacturing—but this relationship may have limits.

More stringent rules of origin can increase regional content—but only up to a point.

- Head, Mayer, and Melitz (2024) proved empirically that **excessively strict requirements may encourage firms to pay tariffs rather than comply.**

- The relationship between content requirements and regional content follows a Laffer curve: beyond a threshold, additional stringency becomes counterproductive.

- Excessive tightening can reduce, rather than strengthen, North American integration.

The key challenge for the 2026 USMCA review is to strengthen North American content without crossing the threshold where stricter rules begin to discourage regional production and integration.

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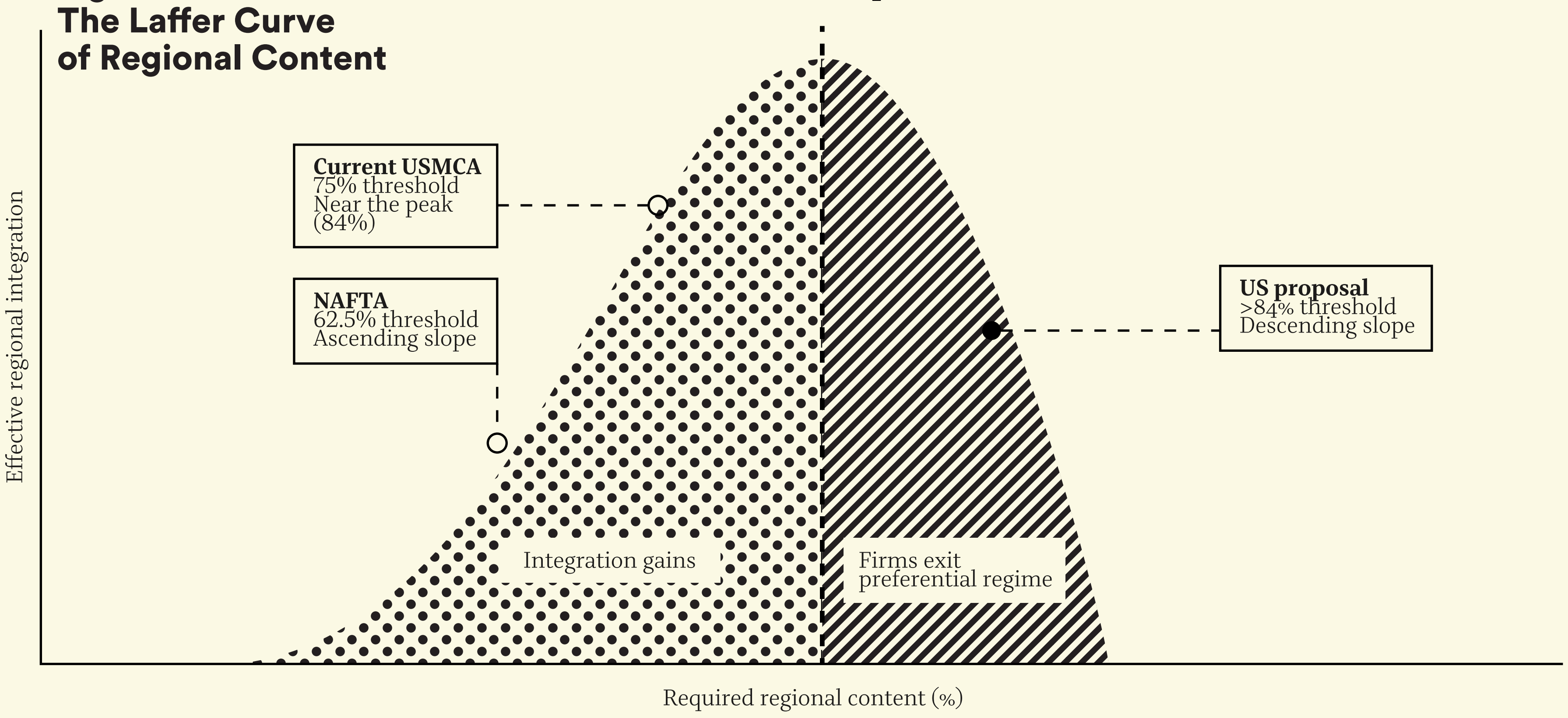
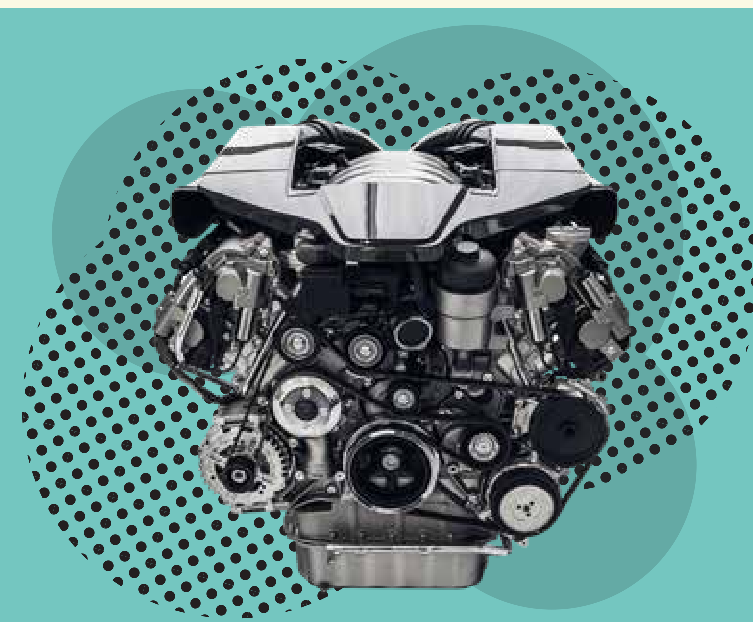
Figure 3.
The Laffer Curve of Regional Content



Framework	Required threshold	Position on curve	Real effect
NAFTA	62.5%	Ascending slope	+2pp of real integration per +20pp of stringency
Current USMCA	75%	Near the peak (84%)	Costly but viable compliance. Narrow negotiating margin.
Aggressive U.S. proposal	>84%	Descending slope	More stringency = less real integration. Firms pay tariffs increasing the consumer prices = less affordability, since 88% of the affordable cars in the US are built by foreign companies (Autos Drive America, 2026)

Source: Finamex Economic Research based on estimates by Head, Mayer, and Melitz (2024).



Shocks or growth in Mexico's industrial sector are quickly mirrored in U.S. manufacturing activity and vice versa

Manufacturing jobs in both countries are closely linked through shared supply chains, extensive cross-border trade in components, and synchronized demand for machinery, vehicles, electronics, and other manufactured goods.

The auto industry drives North America's co-production model

The region's automotive competitiveness stems from a highly integrated trilateral production platform.

- A car's components, in some cases, cross the borders as many as **eight times** before becoming a finished vehicle (CRS).
- Close to **half of the value in vehicles built in Canada originates in the United States, and more than one-third of the content in vehicles assembled in Mexico is U.S.-made** (USTR).
- Mexico is the United States' **leading automotive supplier,** providing 32.3% of transportation equipment imports in 2025; Canada follows with 14%.

Trade disruptions don't stay in one country; they ripple across the region

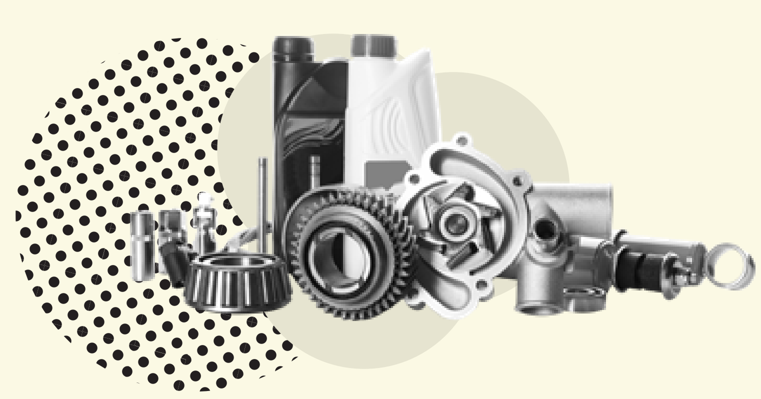
Section 232 tariffs have weighed down on production and employment across:

- **Tariffs tax the production platform** (OICA).
  - Motor vehicle production in North America **declined 3%** in 2025 compared with 2024.
  - Canada recorded the steepest decline, with **vehicle production down 8%.**
  - **Mexico and the United States** each posted a **3% decline** in vehicle production.
- In the **U.S., motor vehicles and parts manufacturing employment** declined by **35.2 thousand jobs in 2025.**
- In **Mexico**, employment in **transportation equipment manufacturing fell 6.3%** in 2025. Less jobs in Mexico, means less prosperity in the neighbourhood.

What opportunities does the region have for strengthening the co-production model?

- Mexico is no longer just an assembly location; it is a strategic contributor to design, innovation, and high-value manufacturing.
- Harness **Mexico's structural strengths in auto-parts production** (electric components, seating, suspension, engines, and transmissions) to advance toward higher-value capabilities while maintaining its specialization.

By leveraging the USMCA to strengthen North America, the region can scale production, compete globally, and strengthen long-term industrial resilience.



SOURCE: Finamex Economic Research based on estimates by Head, Mayer, and Melitz (2024); AMIA; CRS; USTR; OICA; StatCan and USITC.

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North America is a co-production platform

Who co-produces with the United States?

Trade deficits do not tell the whole story. The Trade Deficit Ratio shows whether the U.S. is mostly importing final goods from a country, or also exporting into an integrated production platform.

A deficit with a country can reflect either:

1. One-way import dependence
The U.S. imports a lot, but exports relatively little back.

CHINA

Finished products flow mainly in one direction.

More imports for every $1 exported

TDR = 1.90

2. Integrated co-production
The U.S. imports and exports large volumes because both countries are part of the same production chain.

MEXICO & CANADA

Products are made together across borders.

TDR = 0.58 (Mexico)
TDR = 0.16 (Canada)

Why regular trade deficit charts fall short?

Unlike the simple net balance of trade, the Trade Deficit Ratio (TDR) offers a deeper view of bilateral relationships by underscoring both the extent of supply chain integration and the strategic importance of these markets for U.S. exporters.

How to read the Trade Deficit Ratio

FORMULA: $$\text{TDR} = \frac{\text{U.S. trade deficit with a country (Imports - Exports)}}{\text{U.S. exports to that country}}$$

It shows how many additional dollars the U.S. imports for every $1 it exports.

A lower ratio means the U.S. is not only importing from that partner. It is also exporting into a shared production platform.

- 1.00 — TDR = 1.00: For every $1 exported, the U.S. imports an additional $1.00.
- 0.50 — TDR = 0.50: For every $1 exported, the U.S. imports an additional $0.50.
- <0 — TDR < 0: The U.S. exports more than it imports (trade surplus).

What is the TDR of the U.S with some of its main trading partners?

FOR EVERY $1 EXPORTED BY THE U.S. TO THIS COUNTRY. $1

	TDR	U.S. imports		
CHINA	TDR = 1.90	U.S. imports $1.90 more	$1.90	Large TDR
GERMANY	TDR = 0.88	U.S. imports $0.88 more	$0.88	Moderate TDR
JAPAN	TDR = 0.78	U.S. imports $0.78 more	$0.78	Moderate TDR
MEXICO	TDR = 0.58	U.S. imports $0.58 more	$0.58	Small TDR
CANADA	TDR = 0.16	U.S. imports $0.16 more	$0.16	Very Small TDR

Source: U.S. Department of Commerce, 2025 annual goods trade data. MCV calculations for Trade Deficit Ratio.

North America is not just a trade bloc. It is a production platform.

Under USMCA, the U.S., Mexico, and Canada exchange intermediate goods, components, services, and inputs across borders before a final product reaches consumers.

North American trade is driven by co-production.

Parts and components cross borders multiple times before a final product is assembled.

As a result, Trade Deficit Ratios (TDRs) with Mexico and Canada are much lower than with China, reflecting more integrated supply chains, stronger manufacturing competitiveness, and greater regional economic security.

The USMCA is key to a vertically integrated value chain

Why does having a successful review matters for the competitiveness of the region? Free trade agreements foster intra-industry trade—the exchange of intermediate goods within the same industry between countries (CRS, 2018).

- Trade of intermediate goods blurs the distinction between domestic and foreign production, reinforcing regional supply chain integration.
- The region can reduce dependence on other trade blocs, particularly in the technology sector with Asia.
- It strengthens industries where the co-production model already exists like in the automotive industry, where factories across the 3 countries are linked in a single production chain that drives trade and creates jobs across the region.

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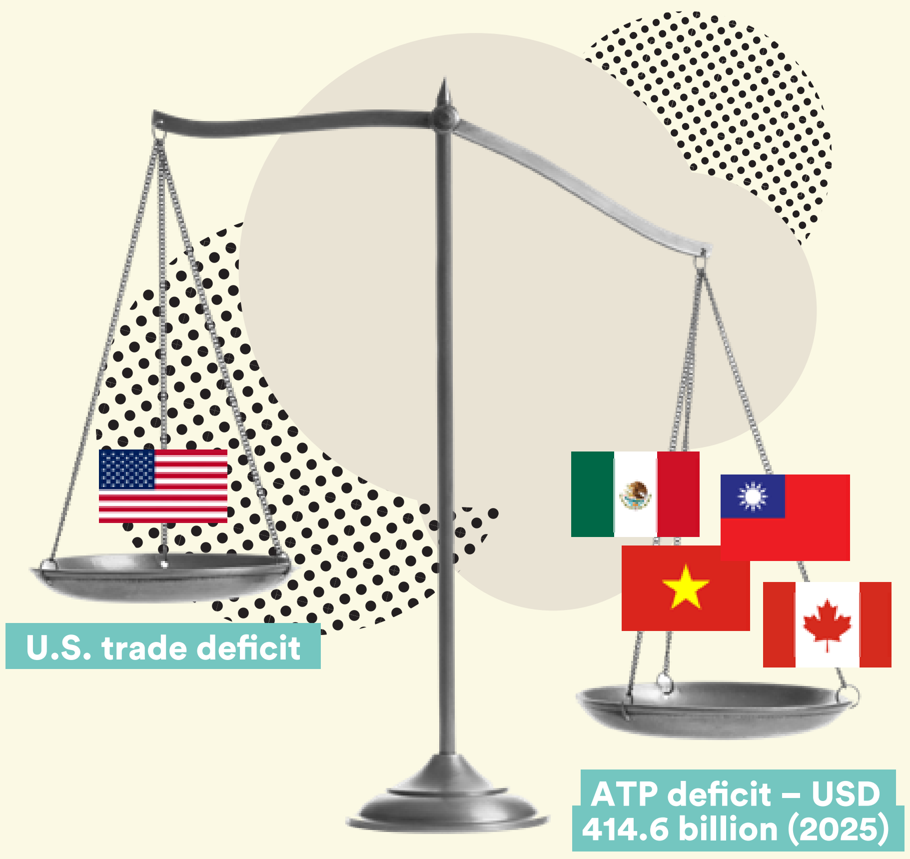
AI infrastructure is a North American economic security issue

The U.S. is increasingly dependent on foreign sources for critical technologies



In 2025, the U.S. ATP* deficit reached USD 414.6 billion, the largest on record. But this is not only a semiconductor story ...

What is behind the deficit?
Information & Communications explains more than 75% of the ATP deficit.

By contrast, the electronics group accounted for only 3% of the ATP deficit in 2025.

The U.S. depends more heavily on imports of finished technology products than on imported electronic components.

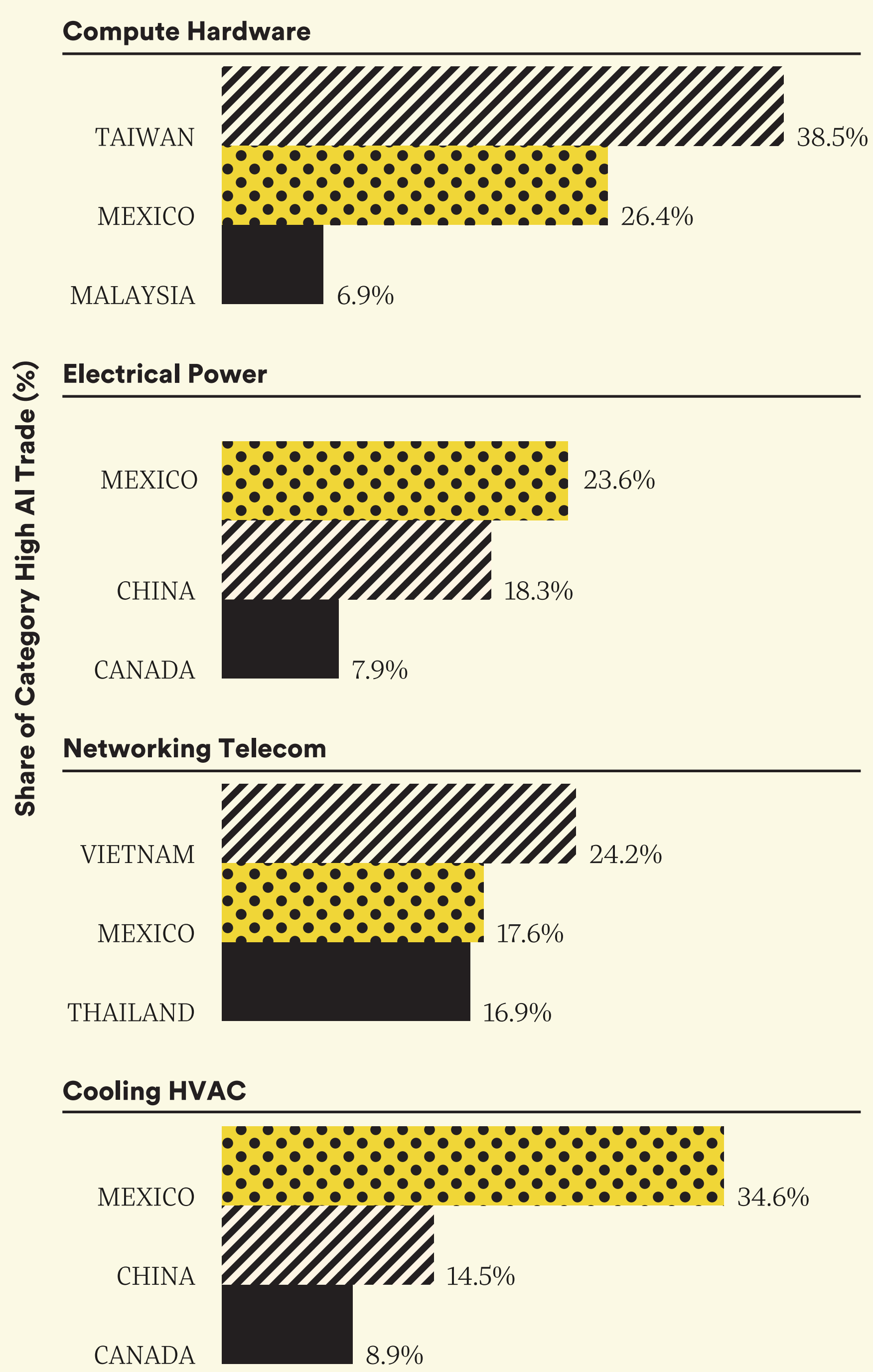
The AI boom is changing U.S. trade

The Federal Reserve Bank of Minneapolis shows AI-related products include compute hardware, electrical power, networking, Cooling/HVAC**, building structure, fire safety, and specialty materials.

AI-related products were 23% of total U.S. goods imports in 2025 and grew 73% since 2023.

- **Electrical Power, Networking and Telecom, and Cooling HVAC** are four categories that represent nearly 95 percent of all goods that are highly relevant to AI.

Top 3 Country Shares by AI Category, 2024-2025



The USMCA can help build regional capacity beyond chips

For the U.S., Mexico is not just a supplier, it is a key production partner in the North American AI ecosystem.

- Mexico is the **largest destination for U.S. AI-related exports**, receiving about one-third of total exports in this category. A clear example of North America's co-production model in action.
- **Mexico and Taiwan each supply roughly one-quarter of U.S. AI-related imports,** making them critical partners in the AI ecosystem.

Example: Cooling/HVAC case study

Mexico is the **top source of AI-related Cooling/HVAC products,** with **34.6%** of category trade in 2024-2025.

Why USMCA matters

The strategic bet is not just to shift sourcing from one Asian supplier to another. It is to build regional capacity in the products that underpin AI infrastructure and North American economic security.

REFERENCES: Michael E. Waugh, Trade in AI-Related Products, NBER Working Paper 35053 (2026) and U.S. Department of Commerce.

*Advanced Technology Products
**Heating, Ventilation, and Air Conditioning

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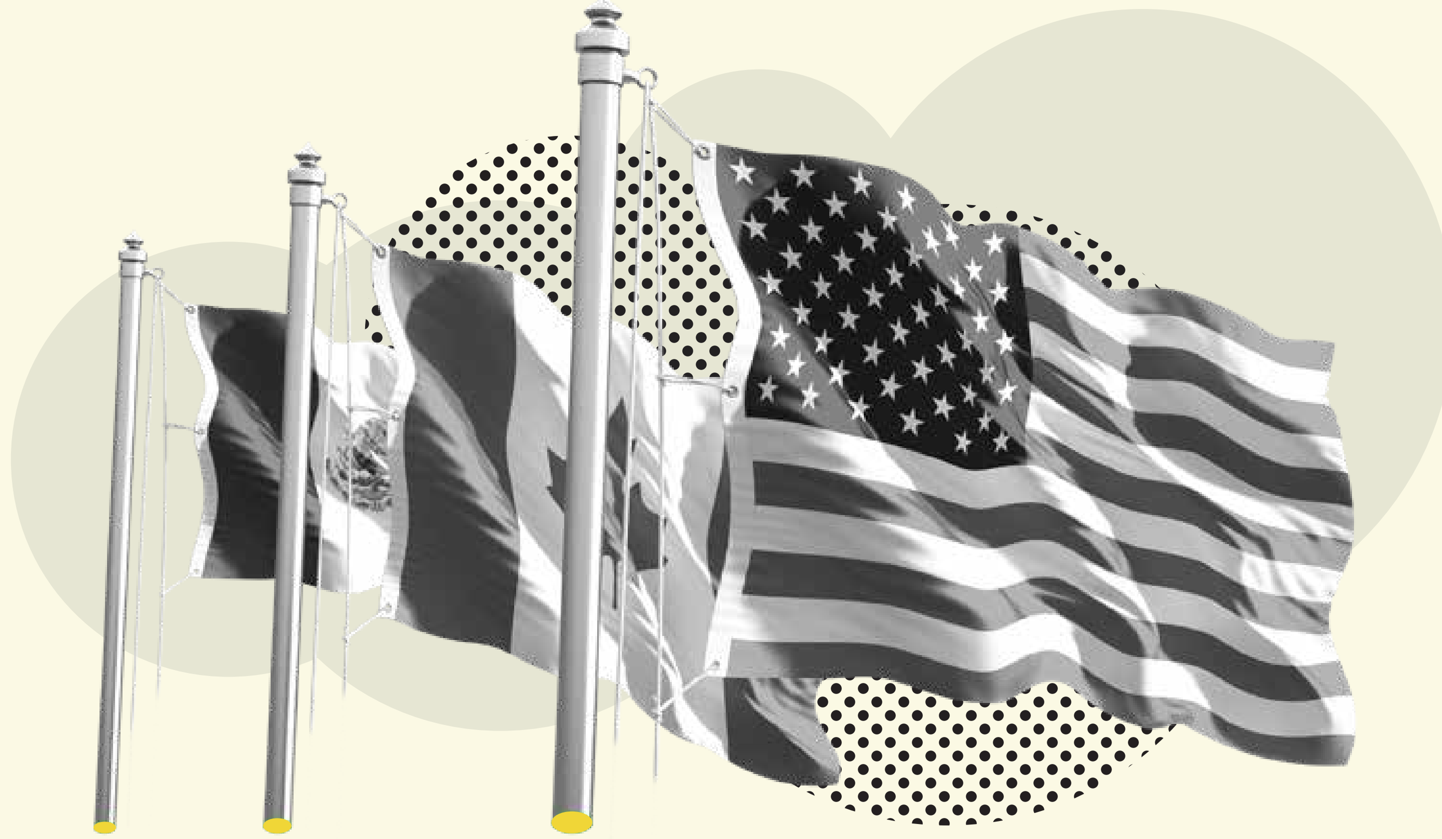
Why North America is more competitive together | USMCA fast facts



North America at a glance

The U.S., Mexico, and Canada account for nearly 30% of global GDP (IMF, april 2026) more than:

- China: **17%**
- The European Union: **18%**
- Latin America and the Caribbean: **6%**

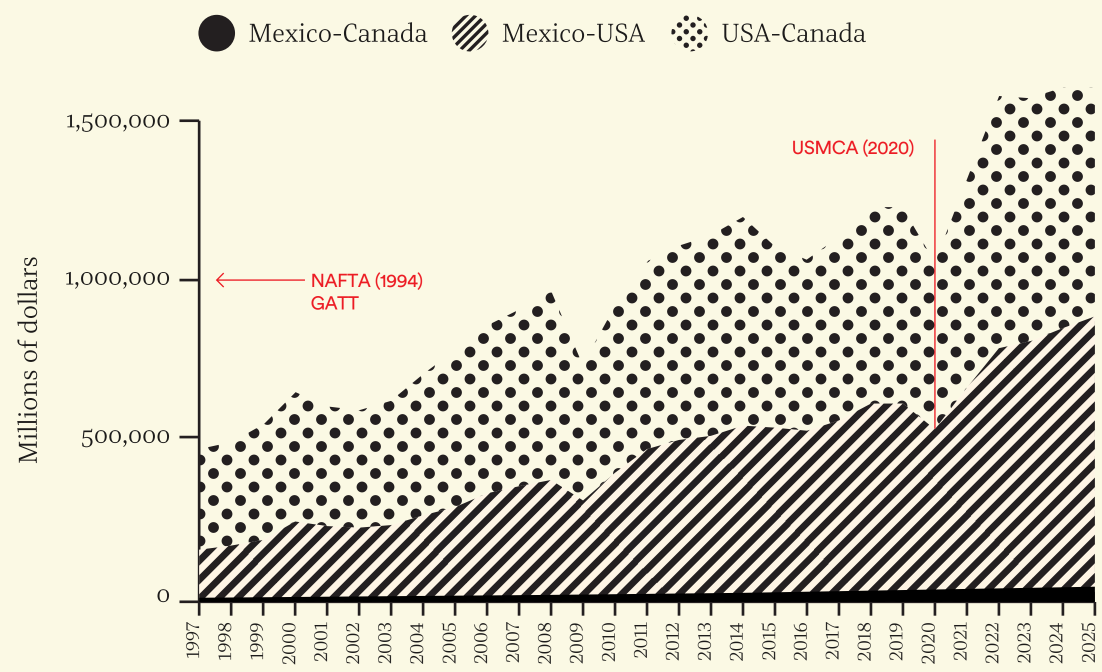
This underscores the **scale of North America as an economic bloc** and the strategic importance of deeper regional integration.

Trade has doubled in the last two decades

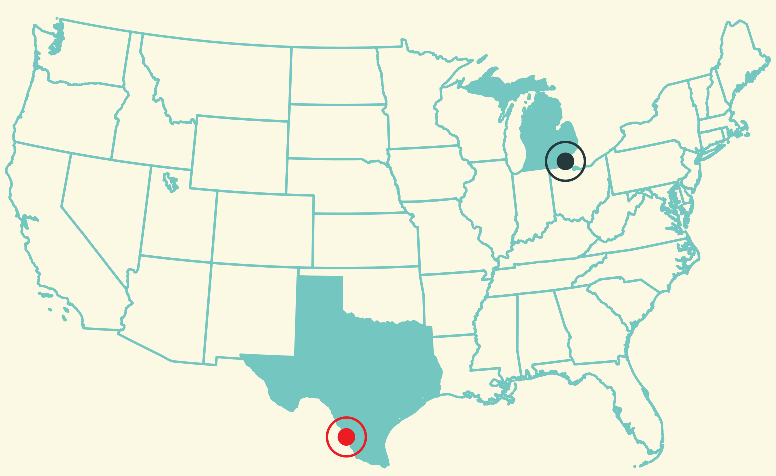
Trilateral goods trade grew from **USD 803 billion to more than USD 1.6 trillion over the last 20 years.**

- Since the post-pandemic rebound of 2022, trade has remained around USD 1.6 trillion, despite recent tariff pressures it remains 30% above pre-COVID levels.

International trade
Between USMCA (T-MEC/CUSMA) members, yearly



Made by México, ¿cómo vamos? With data from the US Department of Commerce and INEGI



- Laredo = largest land port
- Detroit = largest U.S.–Canada truck crossing

Dynamic trade corridors power North American production

The Mexico–U.S. border moves **USD 2.39 billion in goods every day** (USTR).

- The **Port of Laredo, Texas** handled USD 296.2 billion in freight value in 2025, making it the busiest land port for goods trade between Mexico and the U.S. (BTS).
- The leading truck port for goods trade between the U.S. and Canada is **Detroit, Michigan,** with USD 94.2 billion in truck freight value in 2025 (BTS).

United States' top trading partners

Mexico and Canada were the United States' two largest trading partners in 2025 (U.S. Census Bureau).

North America is a co-production platform built on integrated value chains

The automotive sector is one of the clearest examples of North American co-production. Auto parts can **cross regional borders 7–8 times before a vehicle is assembled** (CRS).

Tariffs tax the entire production platform—not just one country.

- In 2025, U.S. motor vehicles and parts industrial production fell 1.92% year over year in December (FRED), and Mexico's vehicle production declined 0.9% over the year (INEGI).

Jobs depend on integration

- As of December 2025, 13 million jobs in the United States were supported by trade with Mexico and Canada (Business Roundtable).
- USMCA links market access to regional production and labor standards. By 2026, the Rapid Response Labor Mechanism had been activated 50 times and resolved cases benefiting more than 43,000 workers in 2025 (USTR).

When supply chains are disrupted, manufacturing jobs are affected across the region. Between 2024 and 2025, North America lost manufacturing jobs across all three countries:

United States:	Mexico:	Canada:
-113,000 (BLS/FRED)	-48,375 (INEGI)	-40,600 (StatCan)

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Food security starts with regional trade

The region's agricultural markets are not isolated national systems but a connected food platform.

- Mexico became the United States' largest agricultural trading partner in 2025, accounting close to 23% of U.S. agricultural imports and serving as the destination for 16.9% of U.S. agricultural exports, followed by Canada (U.S. Census Bureau).

In 2023, for commodities such as fresh fruits and vegetables, Mexico and Canada supplied:

- 51% and 2%, respectively, of U.S. fresh fruit imports.
- 69% and 20%, respectively, of fresh vegetable imports, in terms of value.

Energy powers competitiveness

Shared regional energy infrastructure powers competitiveness

North America is energy-abundant and has the opportunity to translate it into a vertically integrated supply-chain.

- The U.S. has become a major natural gas and Liquefied Natural Gas (LNG) powerhouse.
- Mexico depends on U.S. natural gas for roughly 70% of domestic demand (CSIS, 2023).
- Canada and the U.S. already operate as a deeply integrated energy market in crude oil, natural gas, and electricity.

Together, U.S. energy abundance, Canadian resources, and Mexican infrastructure can strengthen regional manufacturing.

Critical minerals and advanced manufacturing

North America has the mineral endowment needed to support advanced manufacturing but it requires a regional strategy to reduce dependence on concentrated suppliers in Asia. Canada is especially important for this purpose, The Government of Canada reports as of March 2025:

- 56 active critical mineral mines
- 31 processing facilities
- 171 advanced mineral projects

Investment needs certainty

USMCA provides investment protections (Chapter 14), transparency (Chapter 29), and dispute-settlement mechanisms (Chapter 31) that help firms invest across North America with confidence.

Harmonized standards reduce costs

Common standards help industries produce faster, innovate, and compete more effectively with Asia.

- In practice, this matters for integrated sectors such as automotive, steel and aluminum, and emerging clean-technology industries, where more aligned standards can lower costs, speed production, support innovation and decarbonization and make the region more competitive.

The 2026 Review: a defining moment to prioritize regional economic security

The first USMCA Joint Review is underway. Deciding the continuity of the treaty makes the review a high-stakes moment for North American trade, jobs, investment, and economic security.

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SOURCE: USMCA, EIA, U.S. Census Bureau, Government of Canada, FRED, Brookings, INEGI, USTR, CRS and CSIS.