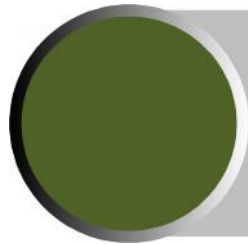
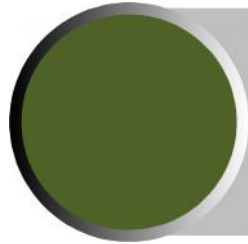


MÉXICO

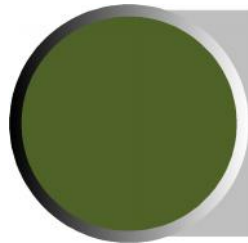




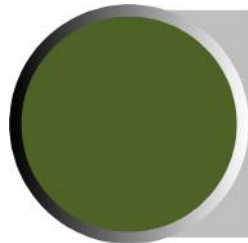
Competitive advantages for investing in Mexico



Mexico: a leading economy



A country with competitive sectors



ProMéxico's strategies

Mexico: an important global actor

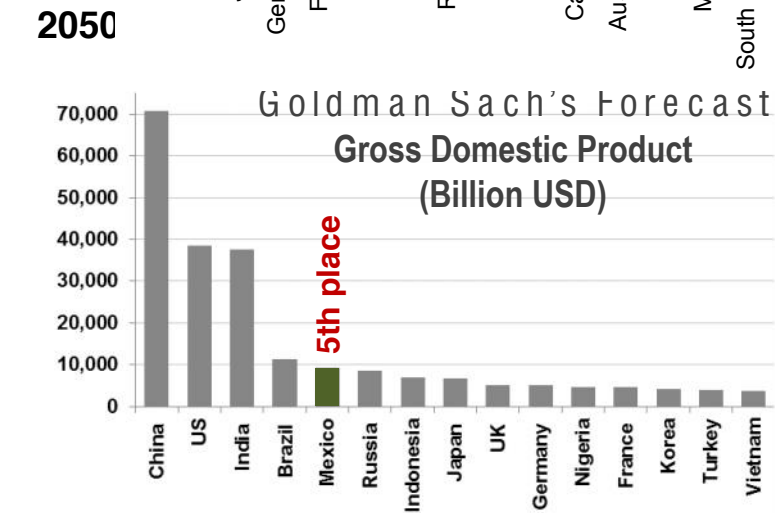
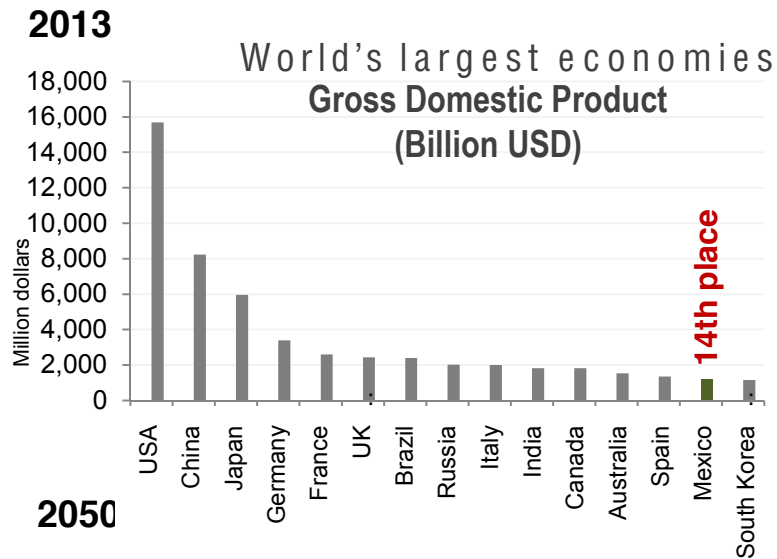
1. Mexico is a democracy.
2. Mexico is one of the largest economies in the world.
3. Mexico has great macroeconomic stability.
4. Mexico is an open economy.
5. Mexico has young, talented and highly-skilled people.
6. Mexico is a leader in advanced manufacturing.
7. Mexico is the next global logistics high value added hub.
8. Mexico is a world within a country.
9. Mexico is a reliable and attractive destination for investment.
10. Mexico is ready to increase its productivity through its structural reforms.

Competitive advantages for investing in **Mexico**

5 competitive advantages



Forecasts



Goldman Sachs estimates that Mexico will be the 5th largest economy by 2050.



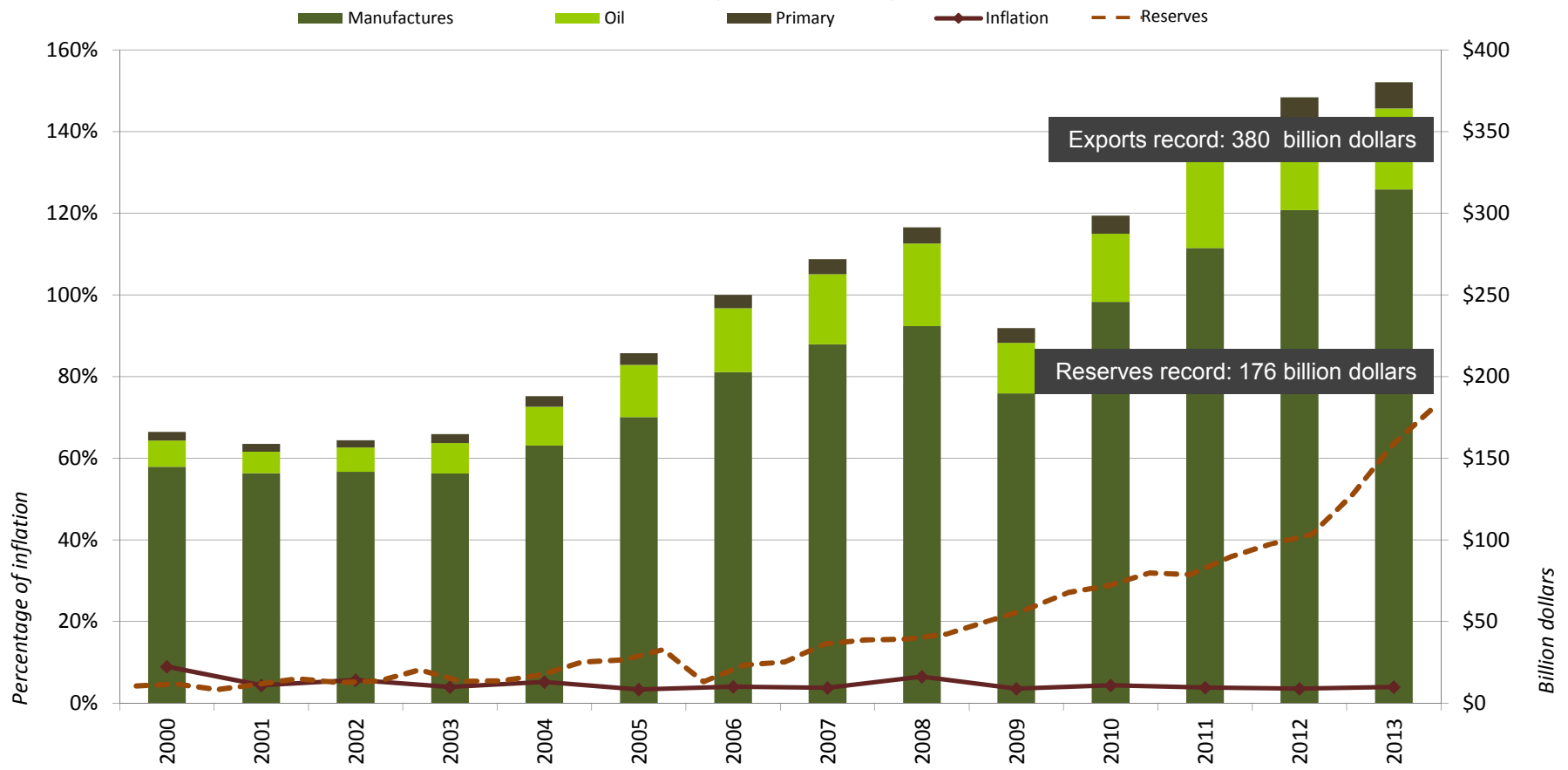
According to Accenture, Mexico will be one of the Big Six in 2025.



According to HSBC Mexico will be the 8th largest economy in the world by 2050.

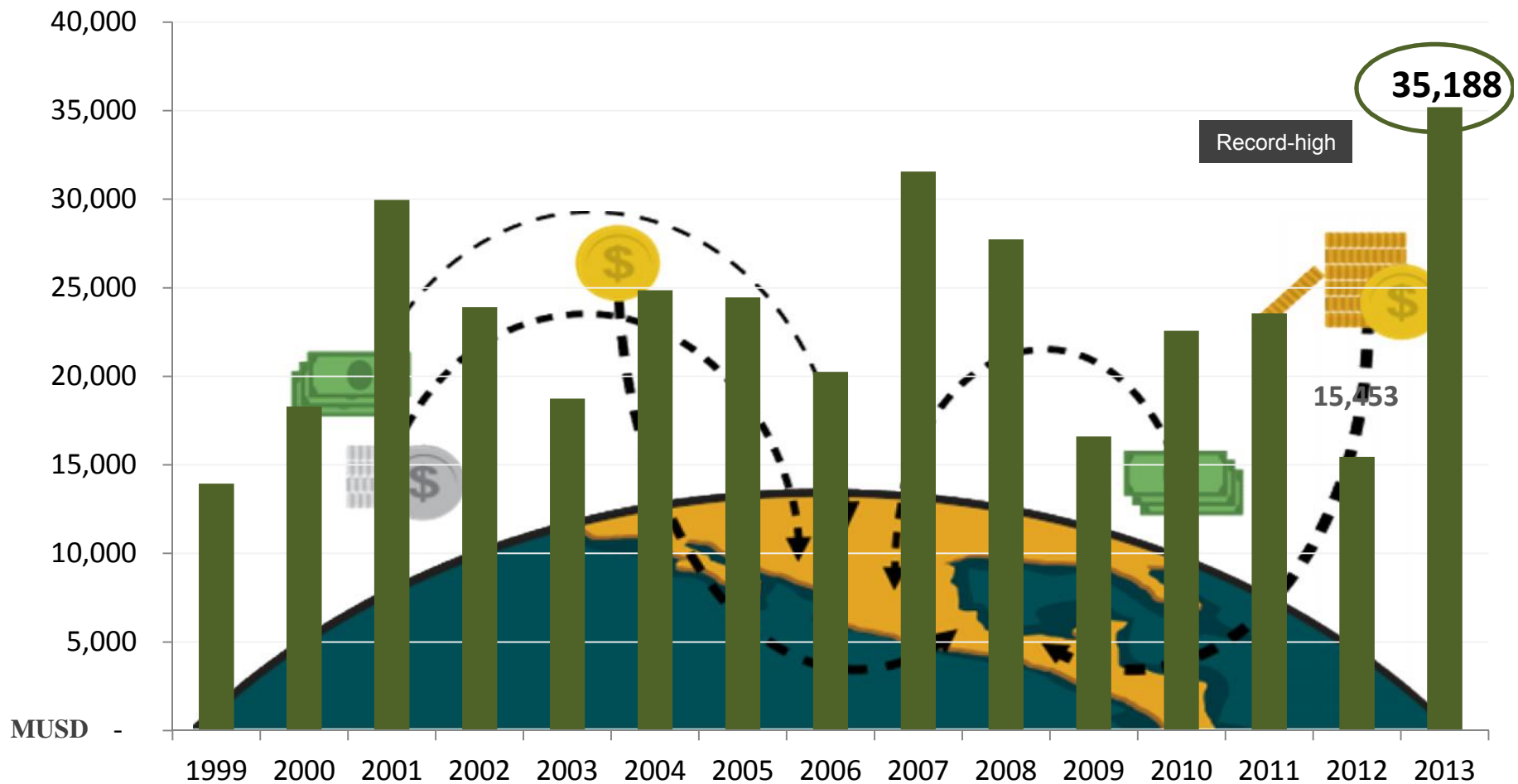
Solid macroeconomic environment

Evolution of inflation, exports and international reserves in Mexico
(2000- 2013)



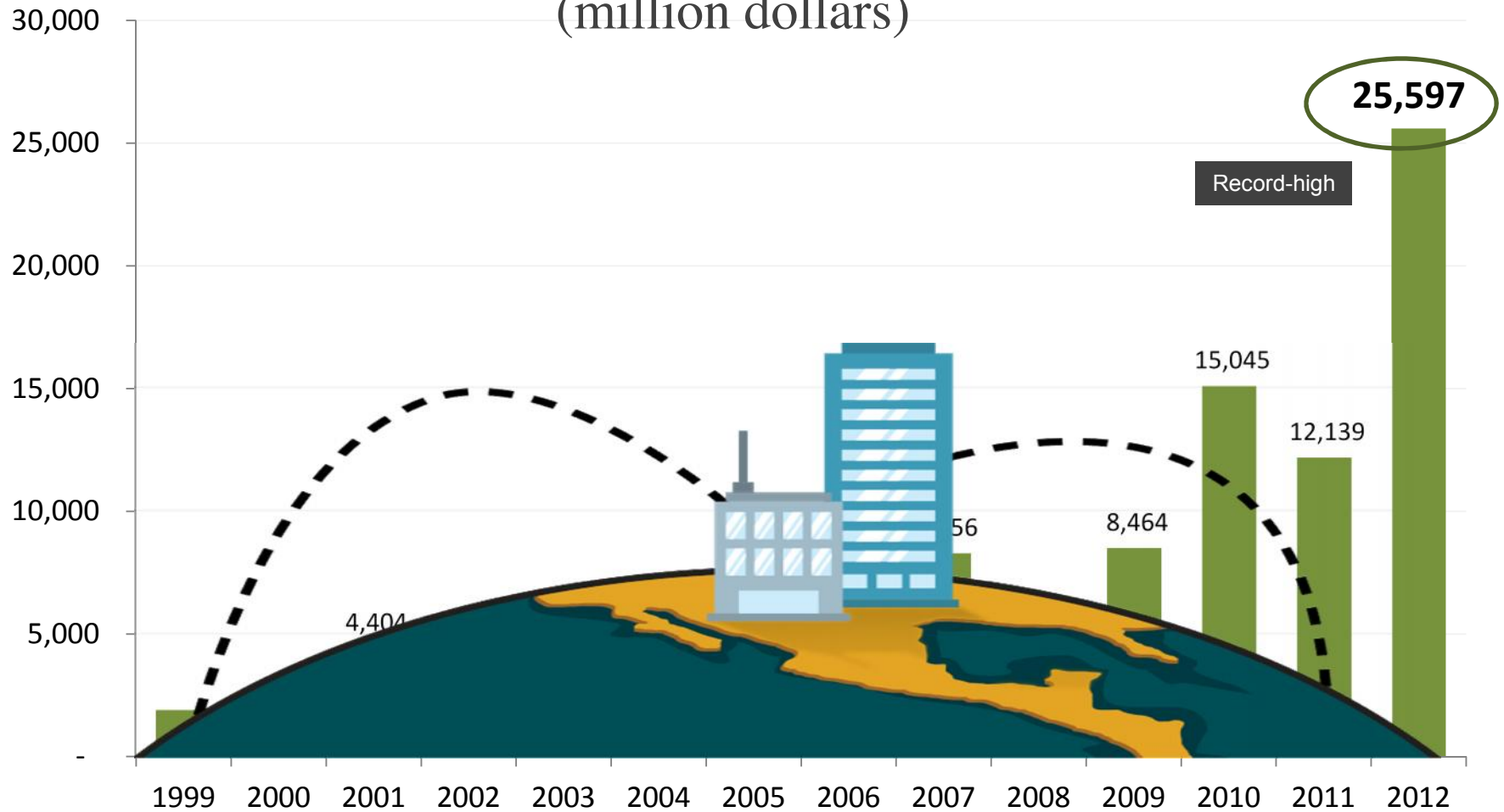
Source: INEGI / Bank of Mexico.

FDI flows into Mexico (1999-2013*)

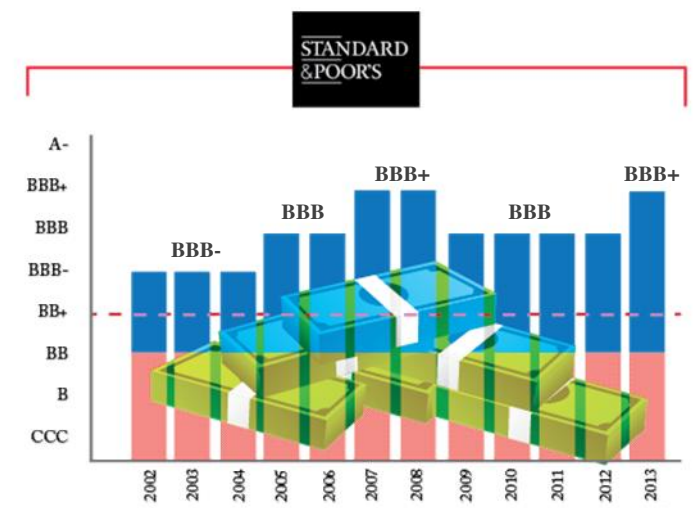
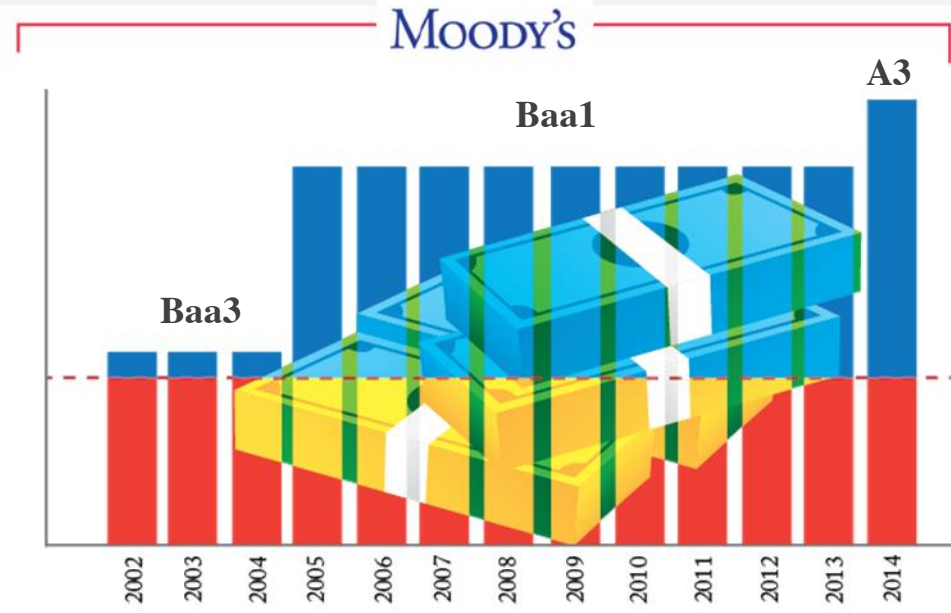


Source: Ministry of Economy. General Directorate of Foreign Investment. */ Figures to September 2013.

Mexico's FDI Outflows (million dollars)



Positive Ratings

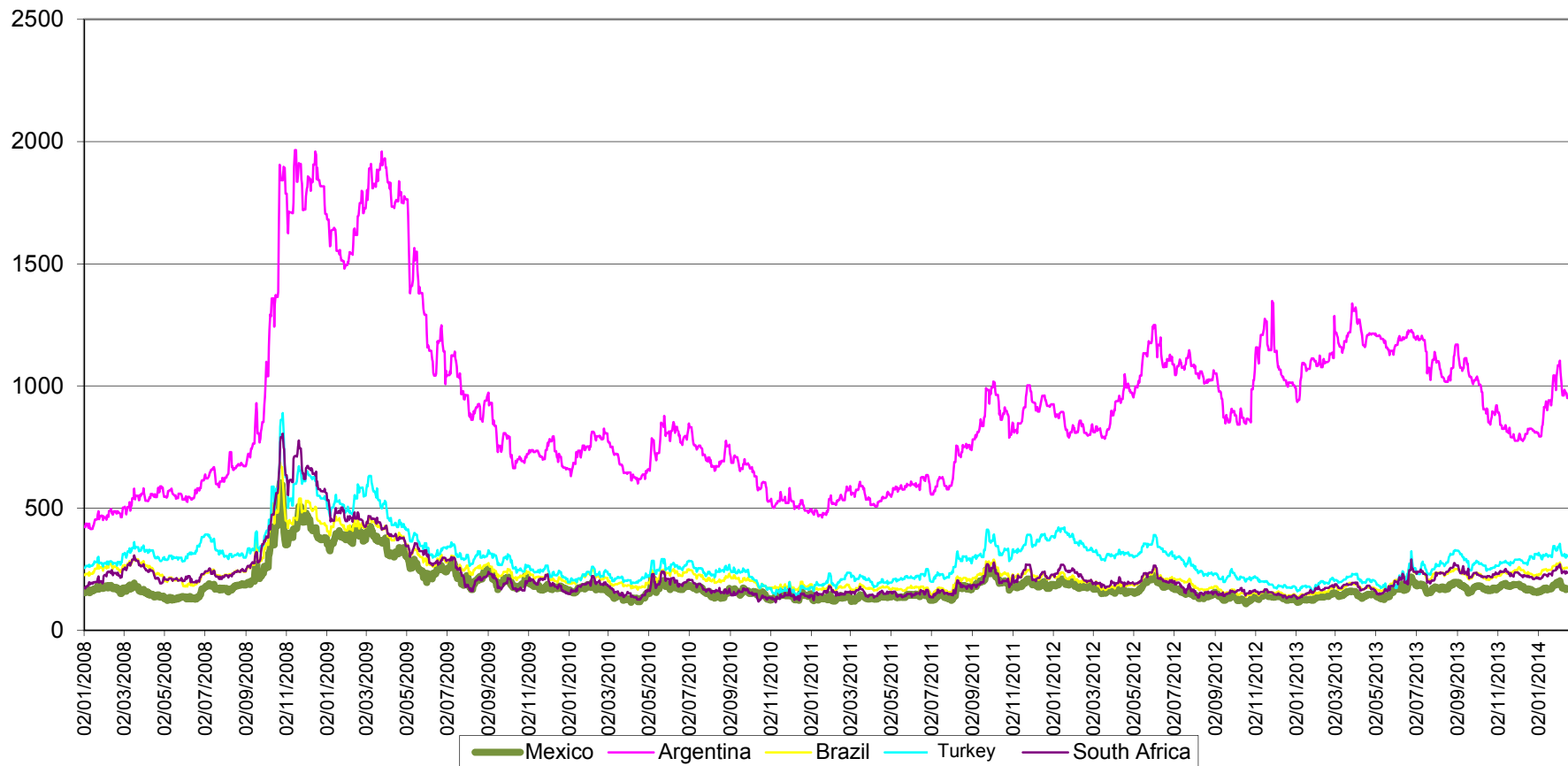


* Scores that are below the dotted line are investments with high degree of risk or speculation.

Source: Fitch Ratings, Standar & Poor's Rating Services, Moody's Investor Service.

Mexico in the EMBI+

EMBI plus (emerging markets)



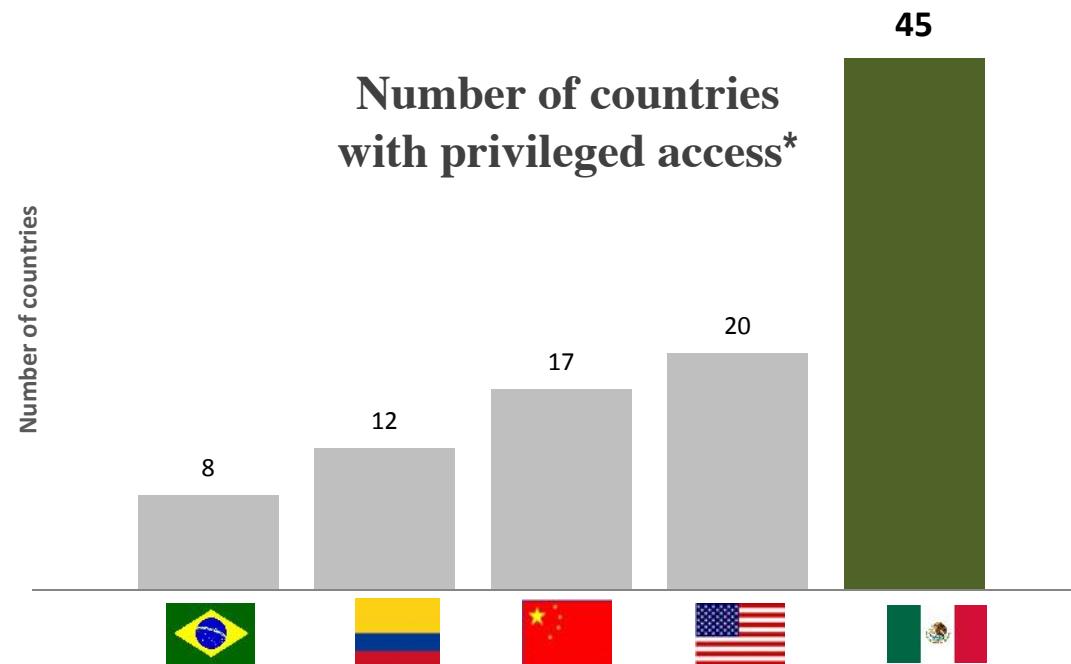
Source: DataMarket, c J.P. Morgan *Emerging Markets Bond Index* .

5 competitive advantages



We are committed to free trade

Mexico has access to **45 countries** through its free trade agreements (1.2 billion people).



Our FTAs give privileged access to 61% of the world's GDP.

Sources: [Brazil](#); [China](#); [Colombia](#); [United States](#); Chile: [Direcon](#); Mexico: [Ministry of Economy](#).

A country with great infrastructure

Mexico has:

- 63 border crossings.
- 68 international ports.
- 64 international airports.
- 16,700 miles of railroads.
- 230,000 miles of roads.



A country part of NAFTA

- +50 border crossings with the US.
- NAFTA market= 18 trillion USD.
 - 16 trillion EU.
- Bilateral trade with the U.S.= 1 million dollars per minute.
- 1 million people and 300 thousand vehicles crossing the border daily.

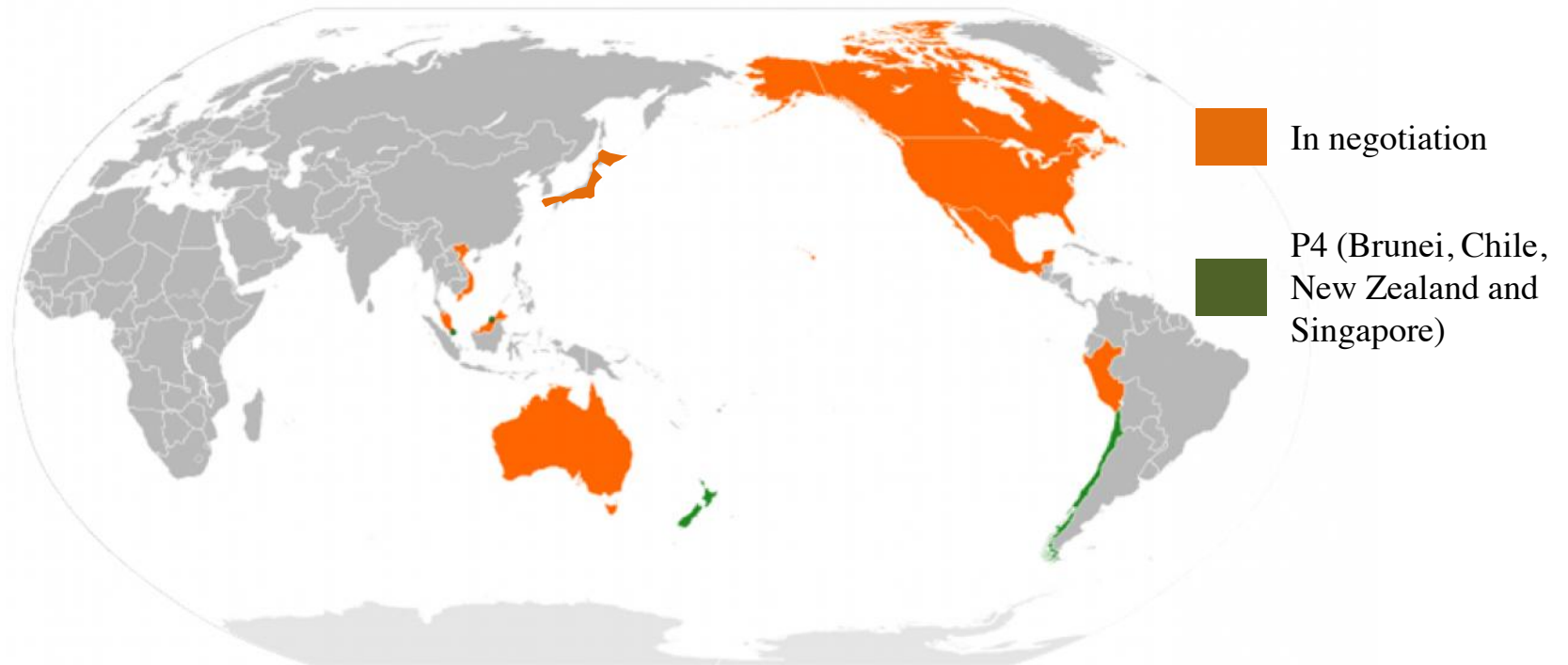


Pacific Alliance

- **Elimination of 100% of tariffs.**
- **92% immediately and the other 8% in the next 15 years or sooner.**
- **Elimination of visas between members.**
- **Platform for student and academic mobility.**
- **Unification of stock exchanges.**
- **Homologation of health and regulatory certifications.**



México And the TPP



The 12 countries of the TPP represent:

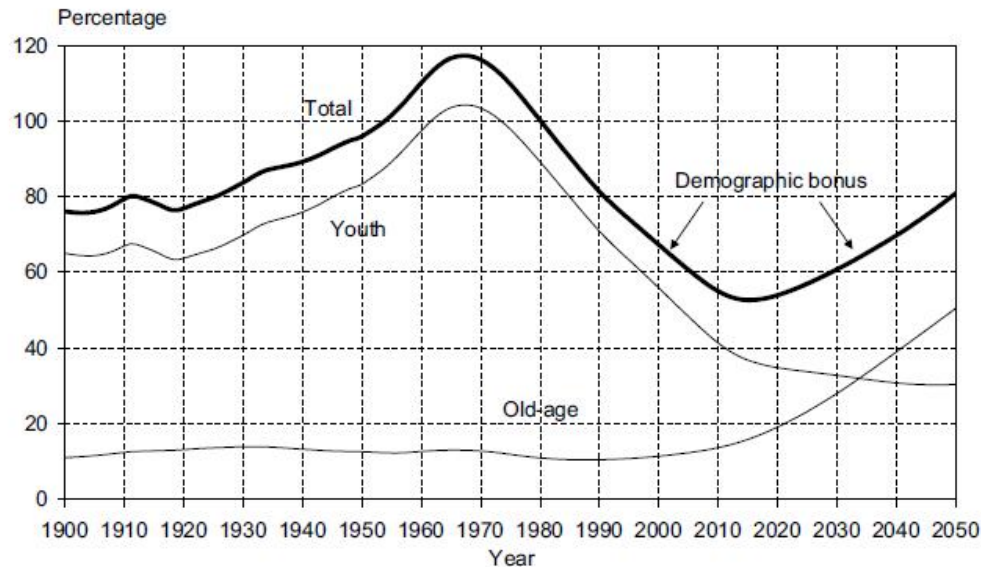
- 38% of global GDP.
- 23% of world exports.
- 28% of world imports.
- 11% of the world's population.

5 competitive advantages

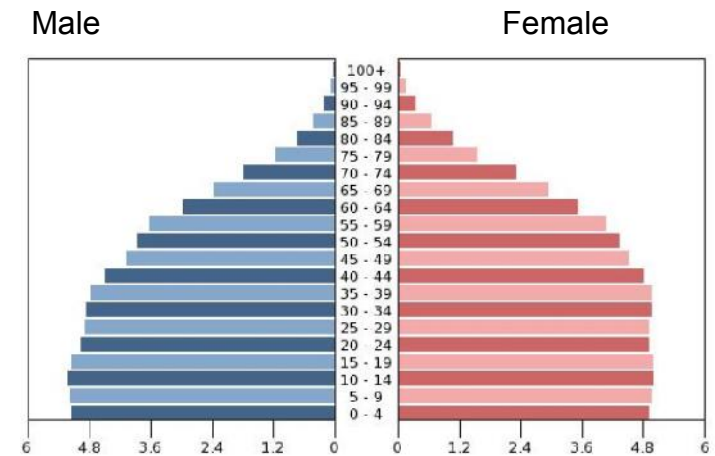


Demographics are on our side

Mexico's demographic bonus



Mexico's population pyramid (2030)*



- 118 million inhabitants with a **median of 27 years**.
- **52 million** in the **labor force**.
- According to forecasts, there will be more than **83 million** people of productive age **by 2020**.

Source: US Census Bureau: <http://www.census.gov/population/international/data/idb/informationGateway.php> ; INEGI, 2011; Population Projections for Mexico 2005-2050, CONAPO. *Population (in millions) by age group.

Human capital: our main strength

“The main reason to invest in Mexico is its human capital”

John Rice, Vicepresident of General Electric.

“The experience of Mexican engineers is one of the reasons we continue to develop new projects in the country”

Young Ju Lee, President of Samsung.

“Mexico has unique competitive advantages, but its flexible and creative human capital is the one that highlights the most”

Pierre Beaudoin, President and CEO of Bombardier.

México, atractivo para la inversión extranjera

Like 40 Send Tweet 6

24 de agosto de 2011 por Carlos Quiñones

México, atractivo para la inversión extranjera

México es un país que por su ubicación geográfica y la calidad de su mano de obra, lo hace ser un país atractivo para la inversión extranjera. Muchas compañías cada año van a México y arman sus plantas industriales con base en atributos, como la mano de obra calificada y abundante, la cercanía con el mercado de Estados Unidos y la capacidad administrativa para manejar esas plantas con talento mexicano. Muchas



Bombardier es optimista

México está en una etapa económica muy importante y hay condiciones óptimas para las inversiones extranjeras, afirmó Pierre Beaudoin, presidente y director general de Bombardier Inc.

En entrevista con Darío Célis para Excélsior Televisión, en el marco de México Cumbre de Negocios 2013, en Guadalajara, el ejecutivo subrayó que a diferencia de

5 competitive advantages



Most competitive total costs

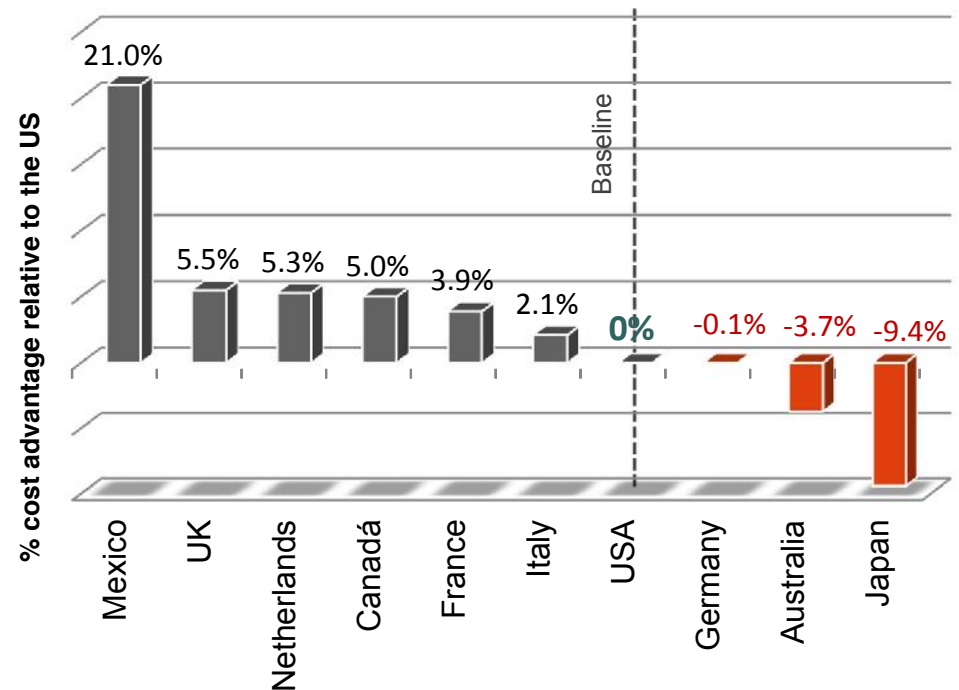


The Alix Partners *Manufacturing Outsourcing Cost Index* ranks Mexico as the best country (better than BRIC's).

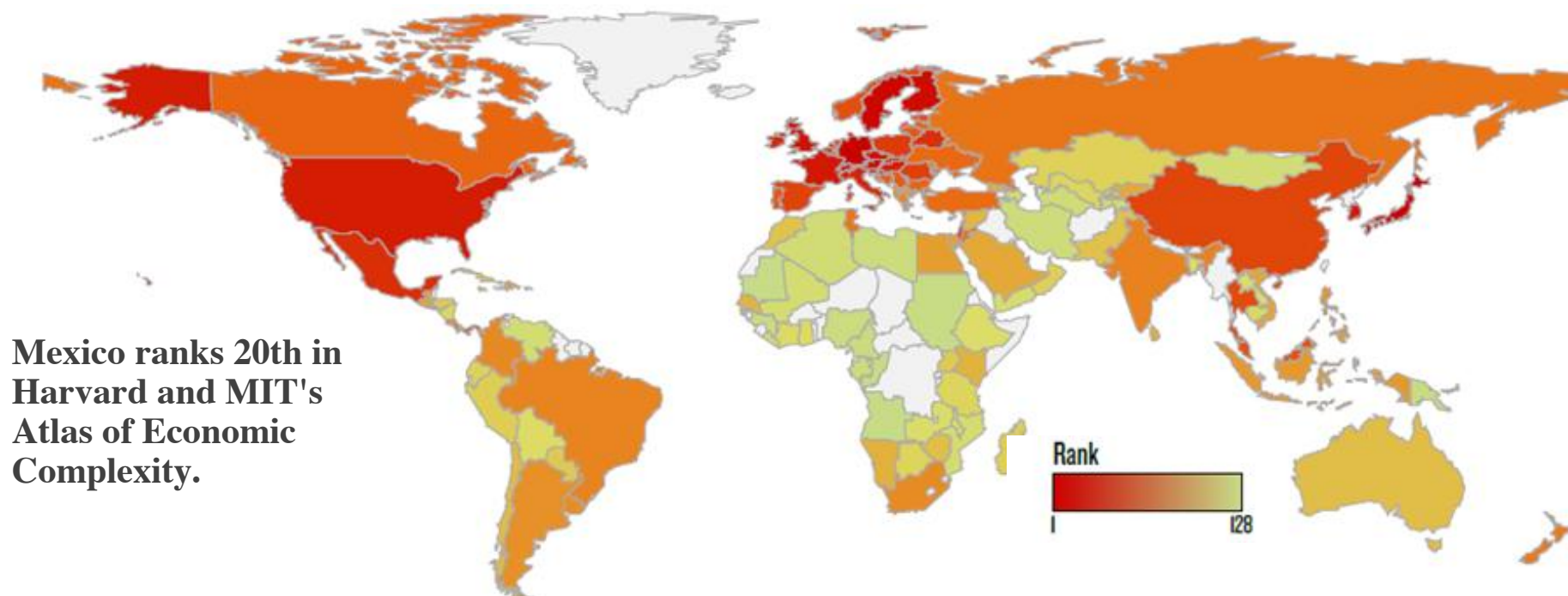


The most competitive country in terms of costs and taxes, according to *Global Benchmark Report*.

According to KPMG, in 2011 Mexico had an average cost advantage of 21% (over 19 industries), compared to the US.



Mexico is an exporter of sophisticated products



- It acknowledges that Mexico can retain large amounts of productive knowledge.
- Mexico manufactures and exports a large number of sophisticated products.
- **Manufacturing accounts for 80% of our exports.**

Source: INEGI/ Presidency/ Harvard and MIT, Atlas of Economic Complexity/ OECD.

A sophisticated economy

Medium and HighTech Exports
as a percentage of GDP (2011)

No.	Country	% GDP
1	South Korea	30.4%
2	Germany	28.1%
3	Mexico	17.2%
4	China	15.0%
5	France	13.2%
6	Italy	12.9%
7	United Kingdom	11.1%
8	Japan	9.9%
9	Canada	7.3%
10	Turkey	7.0%
11	South Africa	5.8%
12	United States	5.1%
13	India	4.5%
14	Indonesia	4.1%
15	Argentina	3.7%

Medium Technology (MT):

- Specialty Chemicals
- Machinery, Equipment, Appliance
- Electrical Industrial Machinery
- Motor Vehicles & Parts Total
- Motorcycles & Transport. Equipment
- Railroads & Equipment

High Technology (HT):

- Aircraft & Spacecraft
- Advanced materials
- Computers & Office Machinery
- Communication Equipment
- Medical, Precision & Optical

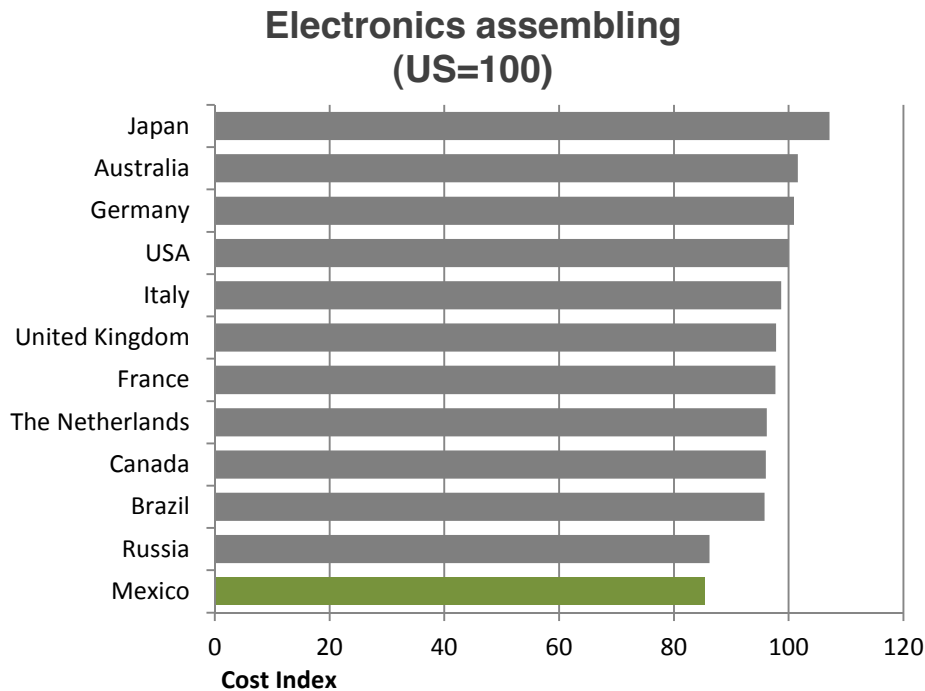
Automotive



Ford's plant in Hermosillo, Mexico, is the only facility in the world to produce the new Fusion model and the Lincoln MKZ.

- Mexico is the 8th vehicle producer in the world.
- And the 4th exporter globally of new light vehicles in the world.
 - We export almost three times more than Brazil and India combined.
- We are a strategic supplier to the North and Latin American automotive markets.
 - In 2011, Mexico was the leading autoparts supplier to the United States.
 - Eleven of every 100 light automobiles sold in the United States are manufactured in Mexico.
- 84 of the top 100 autoparts companies in the world have production facilities in Mexico.

Electric-electronic



- Mexico is the leading home appliance exporter in Latin America.
- And the 6th globally.
- It is the leading flat television screen exporter in the world.
- The second refrigerator exporter.
- The 4th global exporter of computers.
- 8 of the top 10 transnational electronics manufacturing services (CM's) have operations in Mexico.

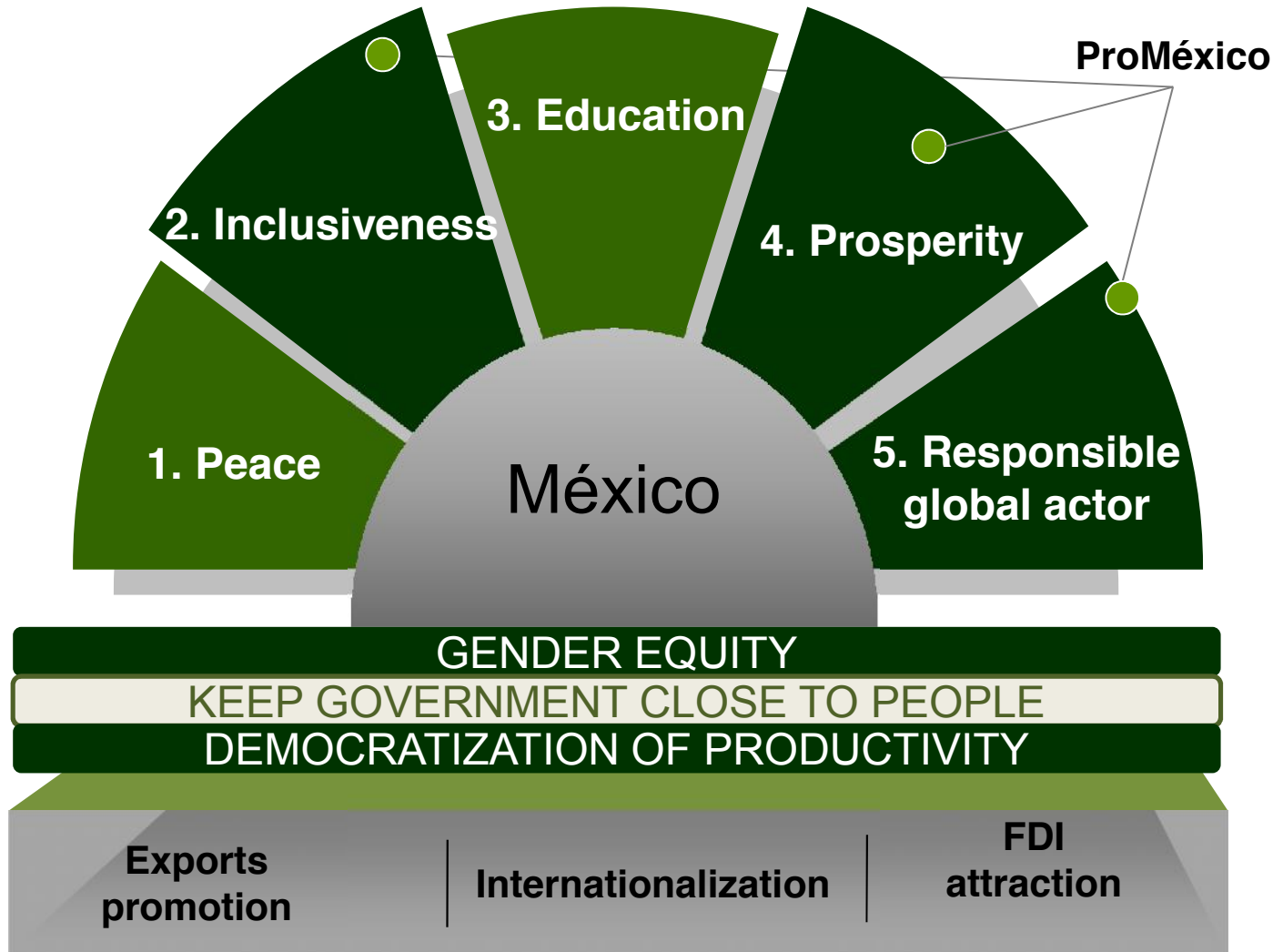
According to KPMG, electronics assembling costs in Mexico are 15% lower than in the United States.

Mining



- According to Behre Dolbear, in 2013 Mexico was ranked 5th best destination for investment in mining projects.
- Mexico is the leading country in Latin America and the 4th globally in terms of receiving investments for mining exploration in nonferrous minerals.
- Mexico is the leading silver producer and exporter globally.
- The second global fluorite producer and third bismuth producer.
- The second gold producer in Latin America.

Mexico's major goals and strategies



5 strategies for boosting our commerce



What Do We Offer in ProMéxico?

Brings companies together and link them to private or public organizations and academia, among others, with specific goals that are usually project-related.

Simplifies the execution or increases the appeal of a project, whether for export, FDI or internationalization, through incentives, studies or by opening markets.



Boosts activities aimed to present an overview of international business and trade. It also seeks to encourage enterprises and strategic sectors to reach international markets and promote the country's image.

Assists clients to reach a specific goal, through training, personal assistance or consulting.

Development of programs and projects
DCC/ ACT Model/ Softlanding/ Aftercare/ Roadmaps/ Clusters articulation/ MOMA/ PROCEI



www.promexico.gob.mx



carlos.marron@promexico.gob.mx



@ProMexicoTW



(713) 984-4598



4507 San Jacinto St., 3rd. Floor

Houston, TX 77004