

MEXICO *NOW*

Mexico's Manufacturing Supply Chain Summit

Conference - B2B - Plant Visits

**EL Paso, Texas
March 27-28, 2014**



La industria
global de México



index

Mexico and your Manufacturing Strategy

Emilio Cadena
March 2014

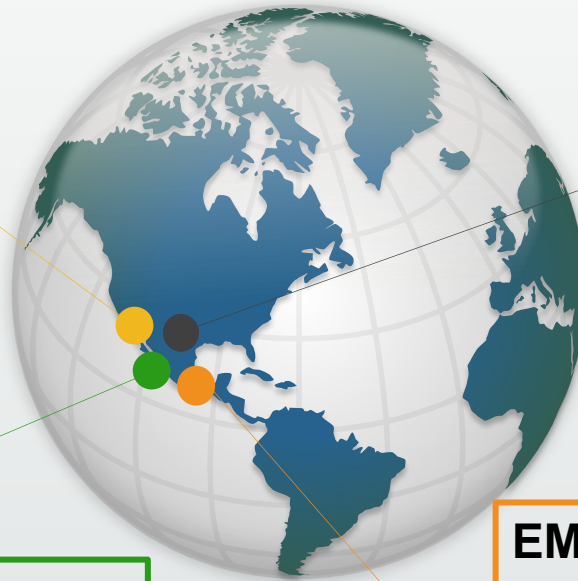
THE IMMEX SECTOR IN NUMBERS

COMPANIES

- 6,163 companies registered.
- 82 % in manufacturing.
- Less than 1% of the employers at IMSS.

FOOTPRINT

- Presence on 24 states.
- Many sectors represented:
 - Automotive.
 - Aerospace..
 - Appliances.
 - Electronics.
 - Capital goods.
 - Textile.



FOREIGN TRADE

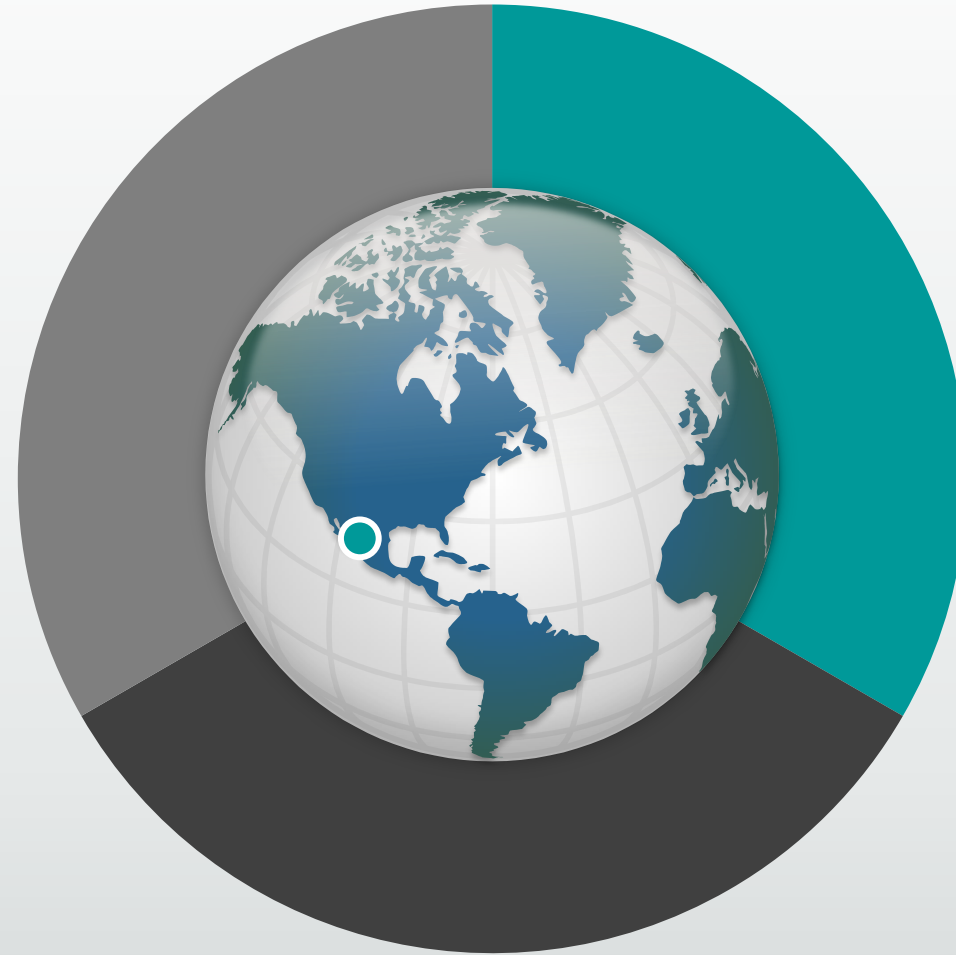
- US\$200,000 M of exports per year.
- 80% of manufacturing exports of Mexico.

EMPLOYMENT

- 2,3680,000 direct employees.
- 50 % of manufacturing jobs in Mexico.
- 6,000,000 indirect jobs.
- 50 %of total employment at IMSS.
- 18% of all Economic Active Population.

WHY IS MEXICO A GREAT MANUFACTURING STRATEGY

LOCATION



PEOPLE

POTENTIAL TO GROW
YOUR BUSINESS

WHY IS MEXICO A GREAT MANUFACTURING STRATEGY

LOCATION

1. Close to US Market.
2. Speed of goods to market.
3. Time Zone Advantage.
4. Many Location Options.
5. Good industrial infrastructure.
6. Excellent support services for industry.
7. Many Foreign Companies.

WHY IS MEXICO A GREAT MANUFACTURING STRATEGY

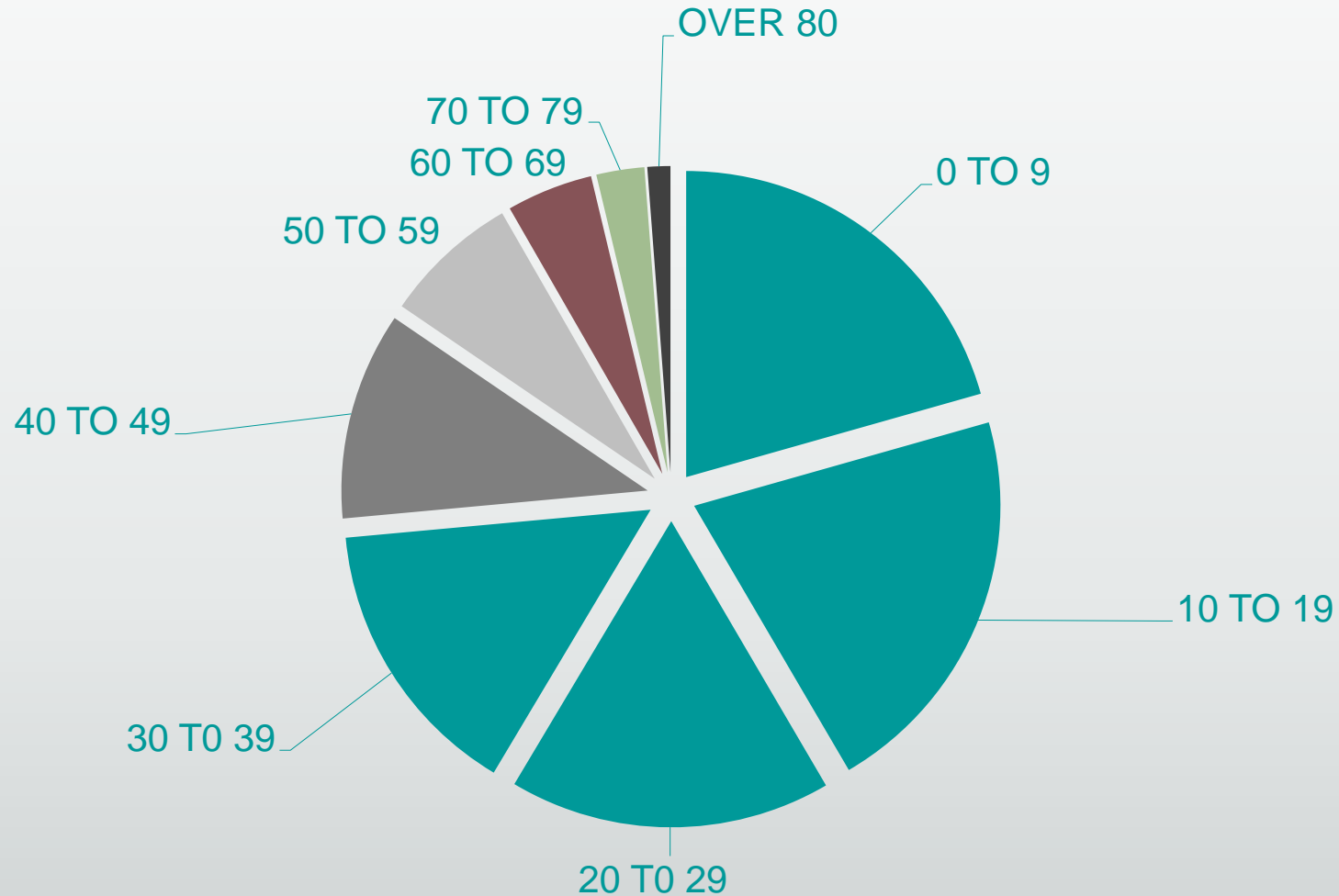


PEOPLE

1. There is plenty of people available for today and the future.
2. The cost of labor advantage is here for many years to come.

WHY IS MEXICO A GREAT MANUFACTURING STRATEGY

PEOPLE



74%

WHY IS MEXICO A GREAT MANUFACTURING STRATEGY

PEOPLE

1. There is plenty of people available for today and the future.
 2. The cost of labor advantage is here for many years to come.
 3. You have to become EXCELLENT at training.
 4. You will not be the first one to do it.
-
1. We look to manufacturing as a GREAT EMPLOYMENT OPPORTUNITY.
 2. We are excited to learn and grow.
 3. Aligned manufacturing culture.

WHY IS MEXICO A GREAT MANUFACTURING STRATEGY

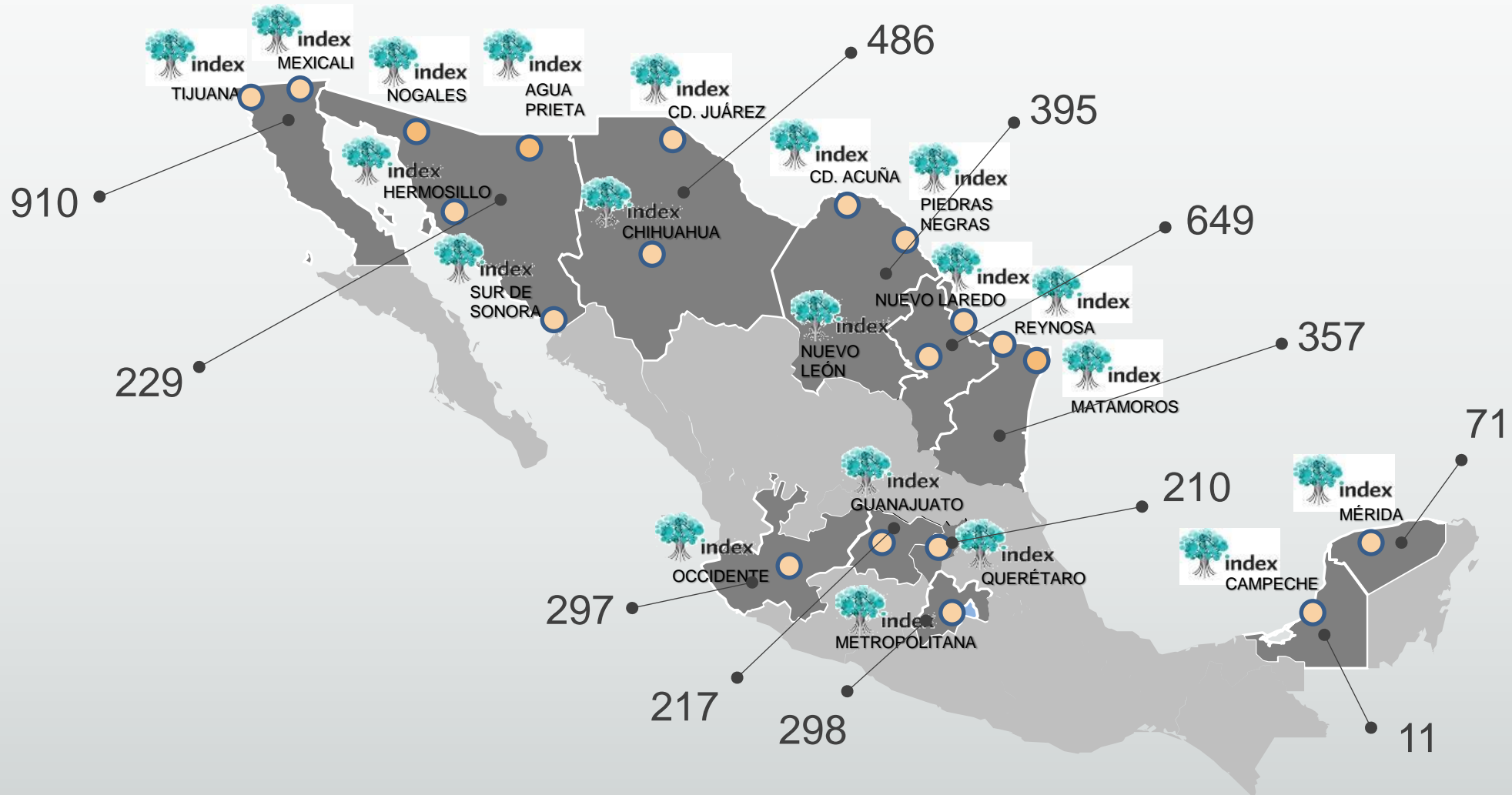


POTENTIAL TO GROW THE BUSINESS

1. Mexico will continue to grow in High/Mid Mix – Low/Mid Volume industries.
2. We estimate that Automotive, Appliances, Aerospace, Commercial Truck, Construction Equipment, Oil and Gas, Capital Goods, Electronics, Medical and Aerospace industries will continue to be the main drivers of growth.
3. Many OEM's have already some presence in Mexico.
4. US\$200,000,000,000.00 exports.
5. US\$160,000,000,000.00 imports per year.
6. Less than 10% local content.
7. Potential to diversify markets.

WHY IS MEXICO A GREAT MANUFACTURING STRATEGY

POTENTIAL TO GROW THE BUSINESS



OUR STRATEGIC PLAN

OBJECTIVE: Improve the business environment for manufacturing companies in Mexico

COMPETITIVE MANUFACTURING FOR EXPORT SECTOR

LEGAL
FRAMEWORK

INFRASTRUCTURE

TALENT
DEVELOPMENT

SUPPLY
CHAIN
DEVELOPMENT

PROMOTING
INVESTMENT

KEYS TO SUCCESS

1. Spend time on developing the business case.
1. Make a good site selection process.
2. Government incentives should be the tiebreaker, not the driver.
3. Choose the right leader for the plant.
4. Chose the right partners for the project (Industrial Parks, Shelter, Consulting Firms): maximize the combination COST and CHEMESTRY.
5. Don't mirror image what you already have, make the most of the opportunity to start all over again.
6. Ask those who have done it before.

MEXICO *NOW*

Mexico's Manufacturing Supply Chain Summit

Conference - B2B - Plant Visits

**EL Paso, Texas
March 27-28, 2014**