

**MEXICO *NOW***

**Mexico's Aerospace Industry Conference and B2B**

Industry Analysis - Near Shore Manufacturing

**Las Vegas, Nevada  
June 5-6, 2014**



**Mexico's  
Aerospace**  
Industry Conference and B2B  
INDUSTRY ANALYSIS - NEAR SHORE MANUFACTURING  
LAS VEGAS, NEVADA  
JUNE 5-6, 2014  
BELLAGIO

# Overview of Mexico's Aerospace Industry

Luis G. Lizcano / Managing Director  
FEMIA

# Mexican Federation of Aerospace Industry (FEMIA)



[www.femia.com.mx](http://www.femia.com.mx)

- **Mexican Association of Aerospace Companies**
- **Private, non-profit organization.**
- **Established in 2007.**
- **More than 70 member companies.**
- **Member presence in 11 states of Mexico.**
- **Capital origin: Approx. 35% from Mexico, 65% Foreign.**
- **FEMIA is the Private counterpart of the Mexican Federal Government.**

# AREAS OF INTERVENTION (Commissions)

- **Competitiveness**
- **Human talent development**
- **Promotion**
- **Legal framework**





# OUR MEMBERS



**FEMIA**  
FEDERACION MEXICANA DE LA INDUSTRIA AEROSPAICIAL, A.C.

**MEMBER LOGOS:**

- LEVINSON: ACEROS - PLASTICOS - METALES
- AERnova Mexico
- AERONAUTICA Y DISEÑO
- ASESA
- aq
- aeisa
- axon: CABLES E INTERCONEXIONES
- BOEING
- BOMBARDIER: la evolución de la movilidad
- CAV AEROSPACE
- CIMAF
- COAST ALUMINUM
- VIKON: CONDUCTORES MONTERREY AEROSPACE
- DAHER-SOCATA
- DHS INTERNATIONAL
- DHS
- OU PONT
- EADS
- EATON: Powering Business Worldwide
- ELIMCO PRETTL AEROSPACE
- ESPECIALISTAS EN TURBOPARTES: COMPAÑIA CERTIFICADA ISO-9001:2000 & AS9100.B
- EUROCOPTER MEXICO: AN EXOVA COMPANY
- EXOVA
- FRISA
- GE
- GIMA
- GKN AEROSPACE
- GLOBAL Partner Solutions
- GOLDON: PRODUCT DEVELOPMENT FIRST
- GRUPO
- HEMAQ
- Honeywell
- HYRSA AEROSPACE
- INCERTEC: Innovative Certified Technical Fixing
- GRUPO INFRA
- ITP: the power of talent
- JAIKER
- KAMAN: Aerostructures
- kuo aerospace
- MAGNAFLUX
- MD HELICOPTERS
- SAFRAN: Messier-Bugatti-Dowty
- POC Aerostructures
- PRAXAIR: Haciendo nuestro planeta más productivo
- QET TECH AEROSPACE: MAINTENANCE AND ENGINEERING
- RAMSA
- TECNOCENTER RYPSA: PLASTIC & METAL ADVANCED MANUFACTURING
- SAFRAN Mexico
- SARGENT AEROSPACE & DEFENSE
- SENER: The way to see the future
- senior Aerospace Mexico
- SST: Single Source Technologies
- Soisa: Aerospace AS9100 Rev. C The best in customer satisfaction
- TATA TECHNOLOGIES
- tecnum
- TERMOINNOVA
- TIG HITCO
- UTC Aerospace Systems
- VerticalForce
- VOLAR: Engineering

# Aerospace Industry in Mexico







New Industry in Mexico with an outstanding growth 2004 – 2013 (+18% avg annual)

300 Industrial Facilities

- 79% MFG
- 11% MRO
- 10% D&I

Jobs: +43,000 in 18 of the 32 states in Mexico

Exports: \$5,463 (2013)

- Moved from 10th to 6th place as exporting country to the USA Aerospace Industry in less than 10 years.

Expectation for 2015:

- 52,000 jobs
- 320+ industrial facilities
- Exports exceeding 7,500 million USD
- 30% mexican value added

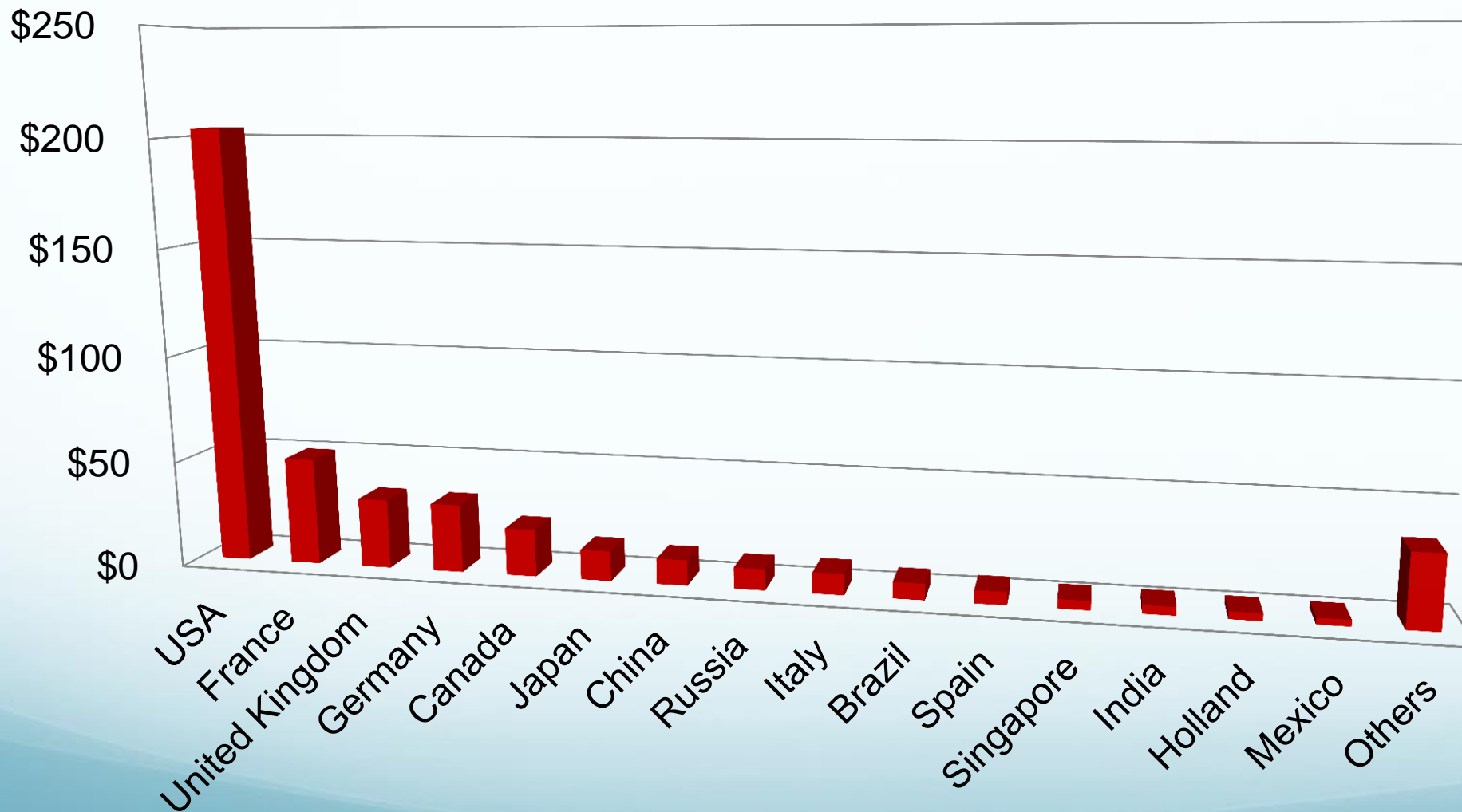
Competitive manufacturing platform in less than 10 years

- Mexico's global ranking in the Industry is 14th

# Global Country Ranking – Aerospace Industry

Revenue 2009

(Billion USD)

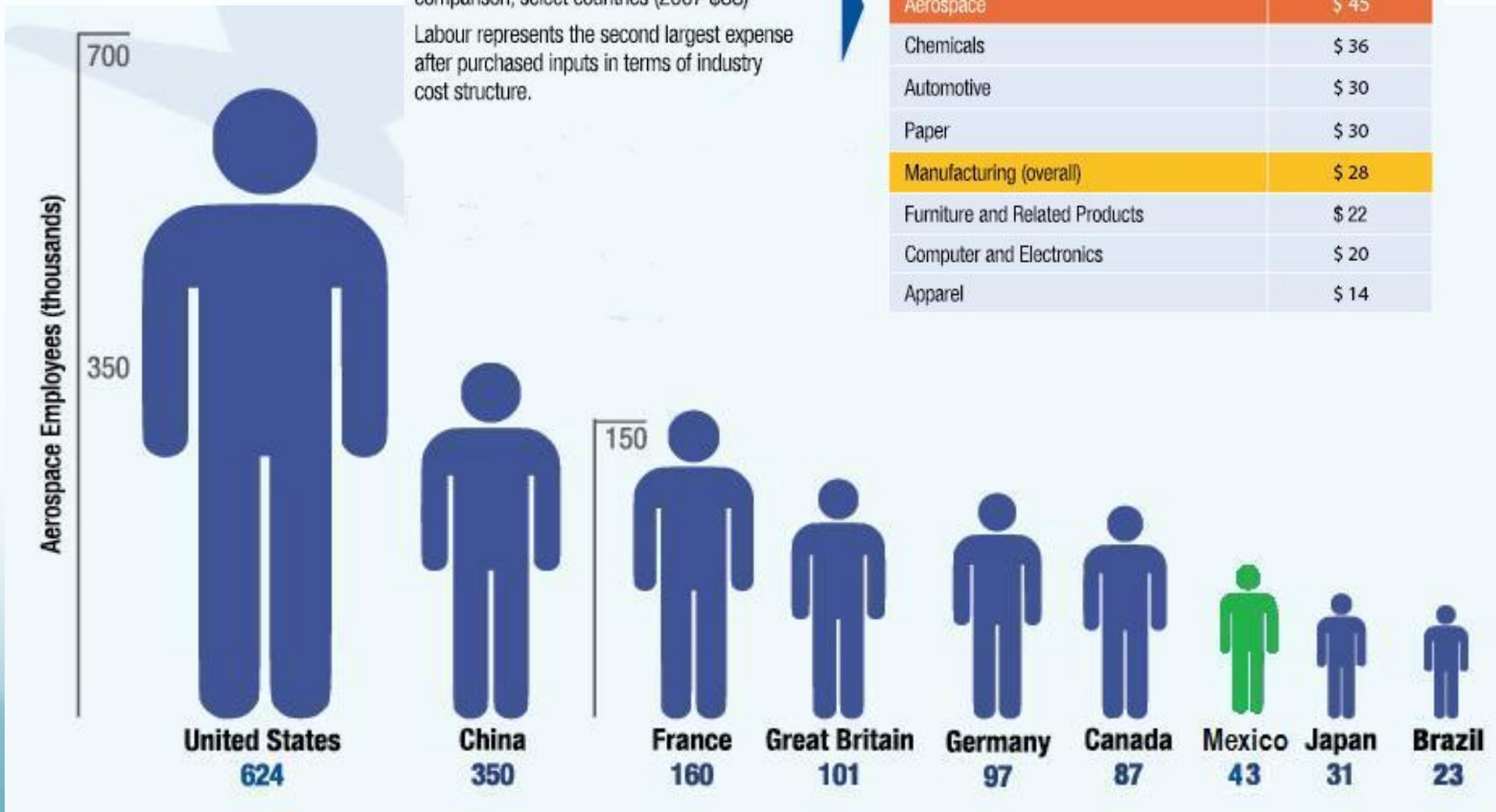


No.	Country	Revenue (Billion USD)
1	USA	\$204.00
2	France	\$50.40
3	United Kingdom	\$32.70
4	Germany	\$32.10
5	Canada	\$22.30
6	Japan	\$14.10
7	China	\$12.00
8	Russia	\$10.00
9	Italy	\$9.90
10	Brazil	\$7.60
11	Spain	\$6.10
12	Singapore	\$4.30
13	India	\$4.00
14	Holland	\$3.40
15	Mexico	\$3.00
	Others	\$34.20

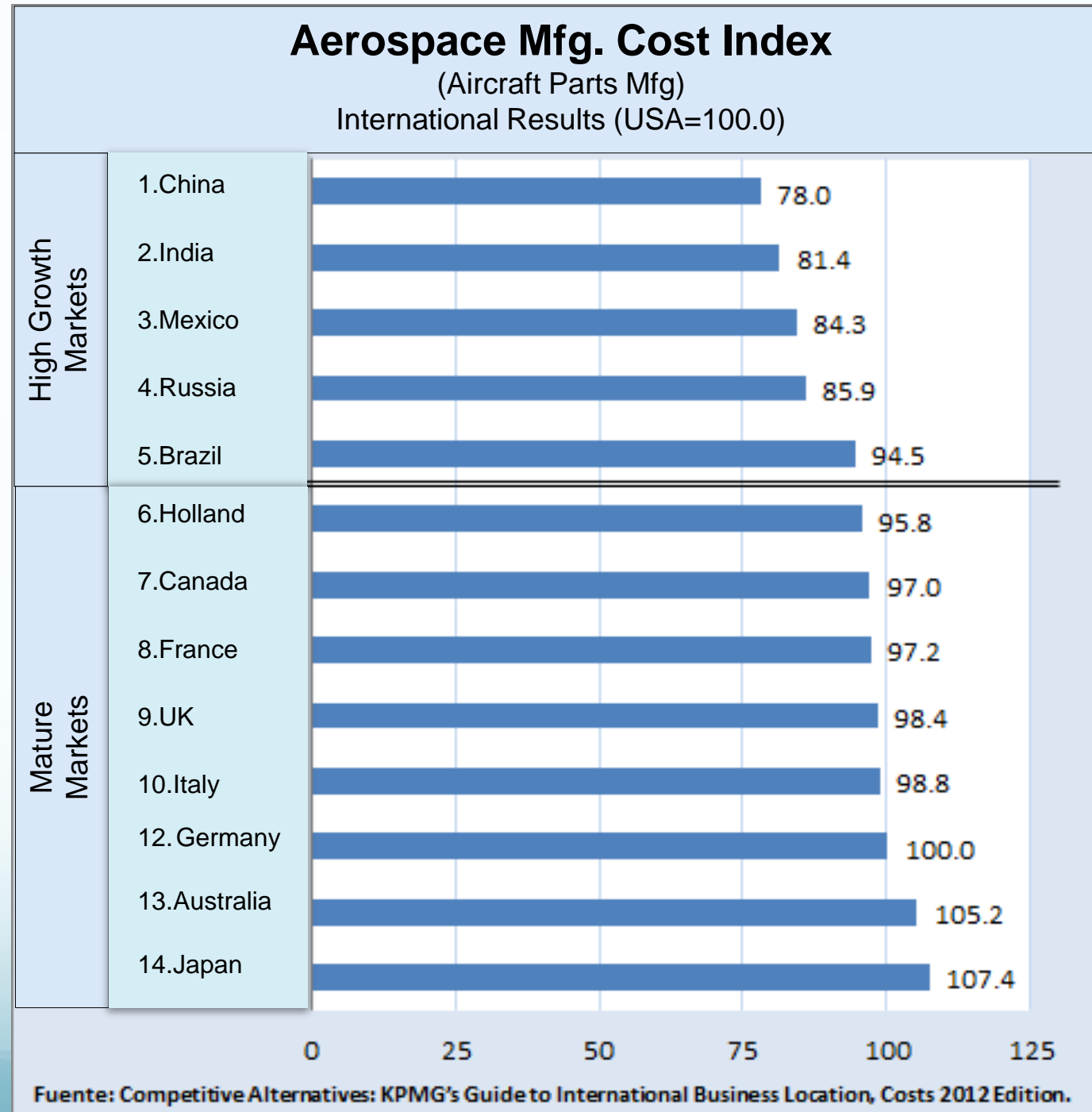


# Employees – Global Aerospace Industry

➤ **Approx. 2 million jobs**



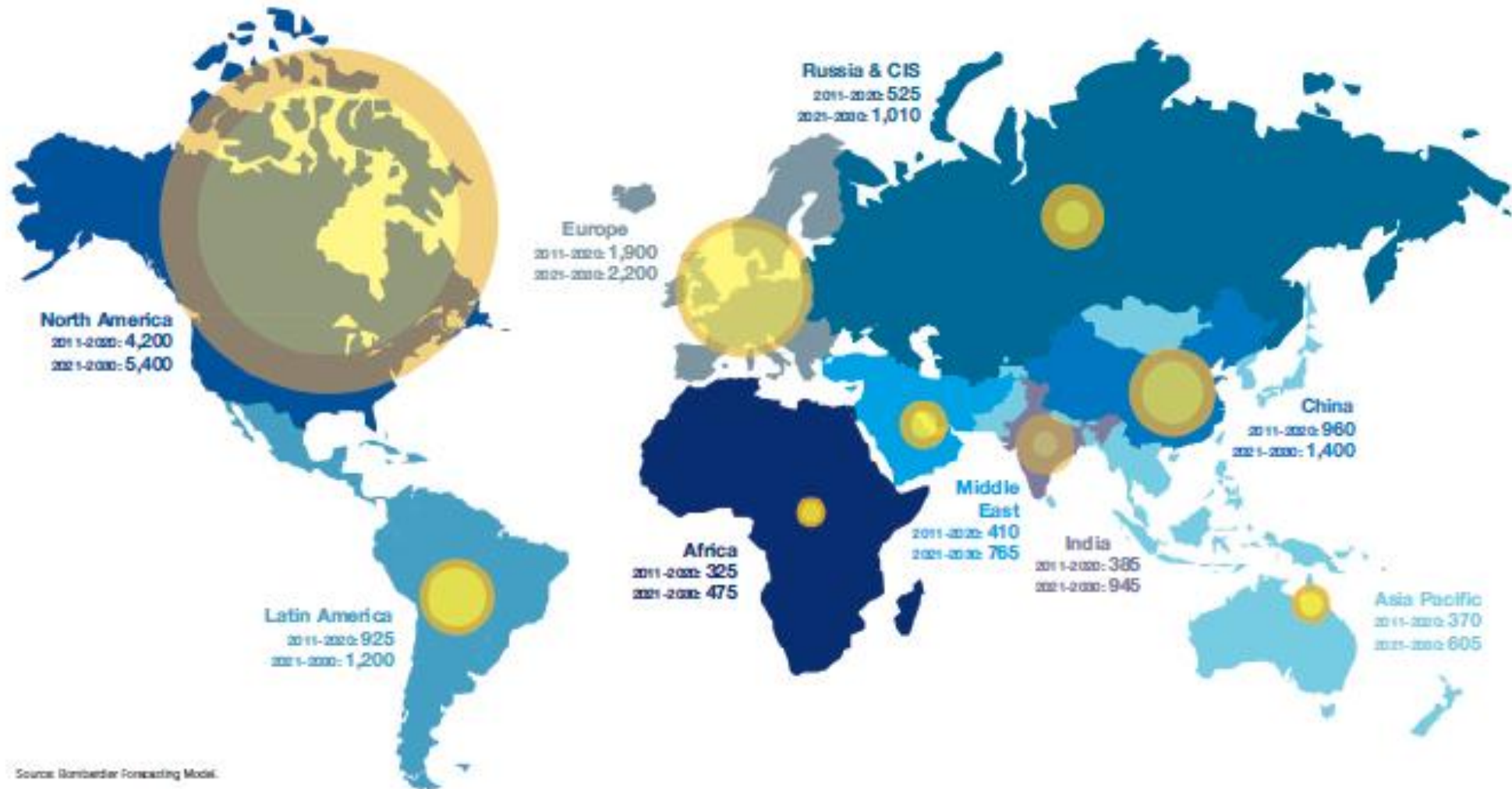
# Cost Competitiveness



# Mexico's Proximity to Largest Aerospace Markets

## Regional 10 and 20-Year Delivery Outlook

Units, calendar years, 2011-2020 and 2021-2030





# Foreign Direct Investment in Mexico's Aerospace Industry

Estimated FDI in Mexico's Aerospace Industry is around \$33,000 Million USD

FDI Origin:  
75% from North America.  
25% from Europe

One of the most important receptors of FDI in the Global Aerospace Industry in the last 5 years

6th most important supplier to the USA Aerospace Industry

Mexico has entered BASA & Wassenaar Agreements



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**Mexico - NEW Global Manufacturing hub for the Aerospace Industry**

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Mexico has entered the US/ Mexico Services Agreements



# Major companies in Mexico

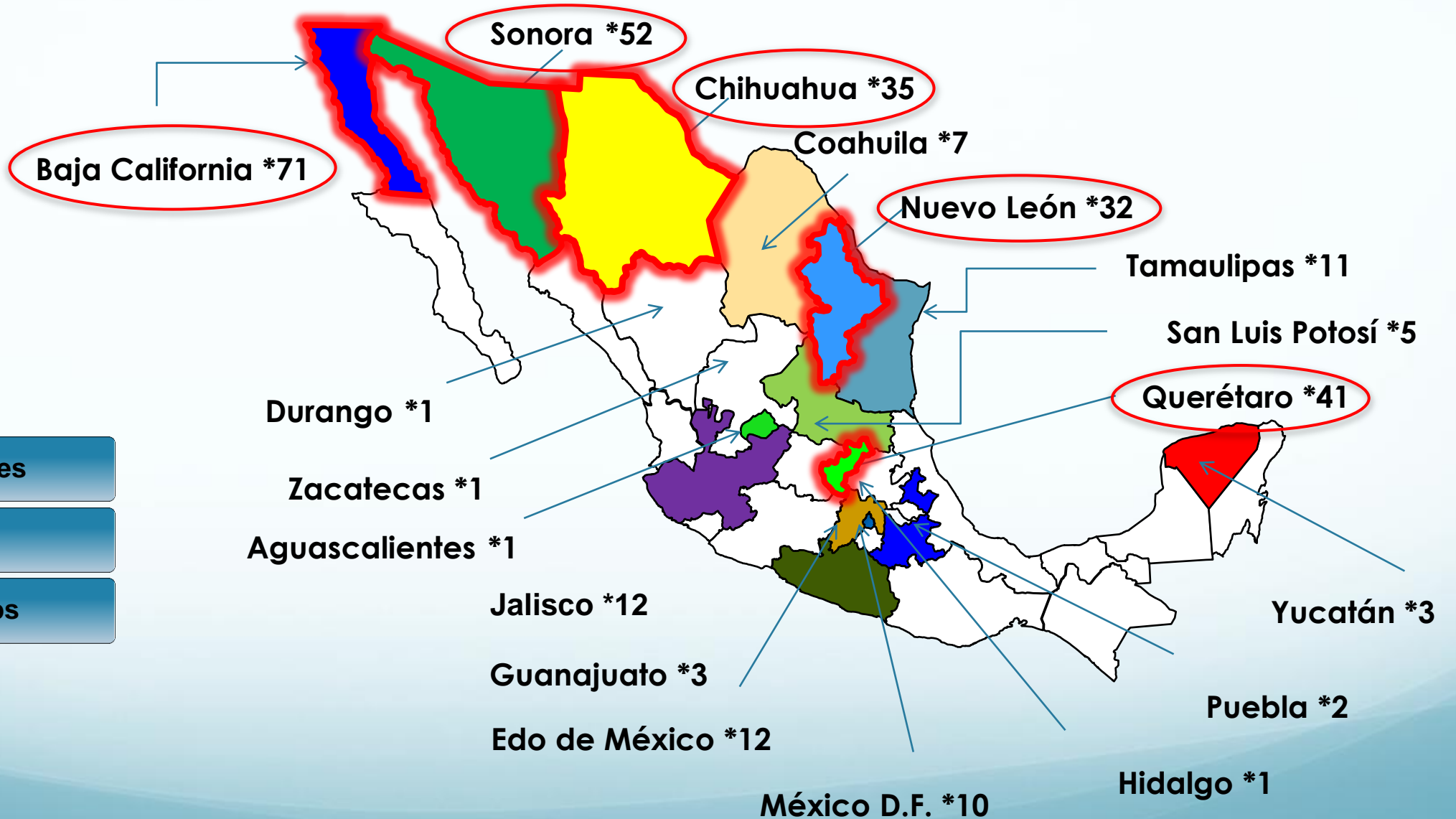
- Aernnova (Spain)
- Airbus Group (Europe)
- Bombardier Aerospace (Canada)
- Daher Aerospace (France)
- Eaton Aerospace (UK)
- Fokker (Holland)
- General Electric (USA)
- GKN (UK)
- Gulfstream Aerospace (USA)
- Honeywell Aerospace (USA)
- ITP Group (Spain)
- MD Helicopters (USA)
- Safran Group (France)
- Sargent Aerospace (USA)
- Textron – Cessna, Bell Helicopter, Beechcraft (USA)
- United Technologies Aerospace Systems (USA)
- Zodiac Aerospace (France)



# Products & Services in Mexico

- Propulsion system components
- Aerostructures & sheet metal
- Landing system components
- Precision machined parts
- Plastic injection molding parts
- Heat and surface treatment
- Electrical & Electronics
- Composite material parts
- Design & engineering services
- MRO services
- Aircraft interiors

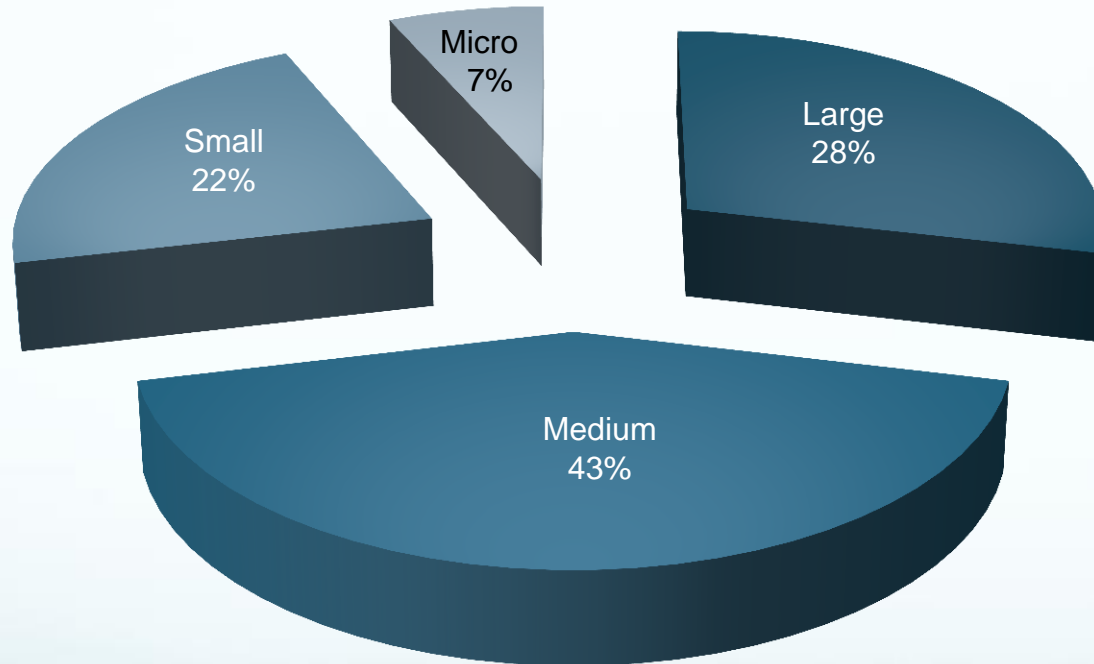
# Geographic Location



-  300 Facilities
-  18 States
-  +43,000 jobs

# Size of Operations

## Facilities by number of employees



Source: S.E

Size	No. de Employees
Micro	1 - 10
Small	11 - 50
Medium	51 - 250
Large	More than 250



# Supply Chain Structure

SUPPLY CHAIN  
# OF COMPANIES



OEM



TIER 1



TIER 2



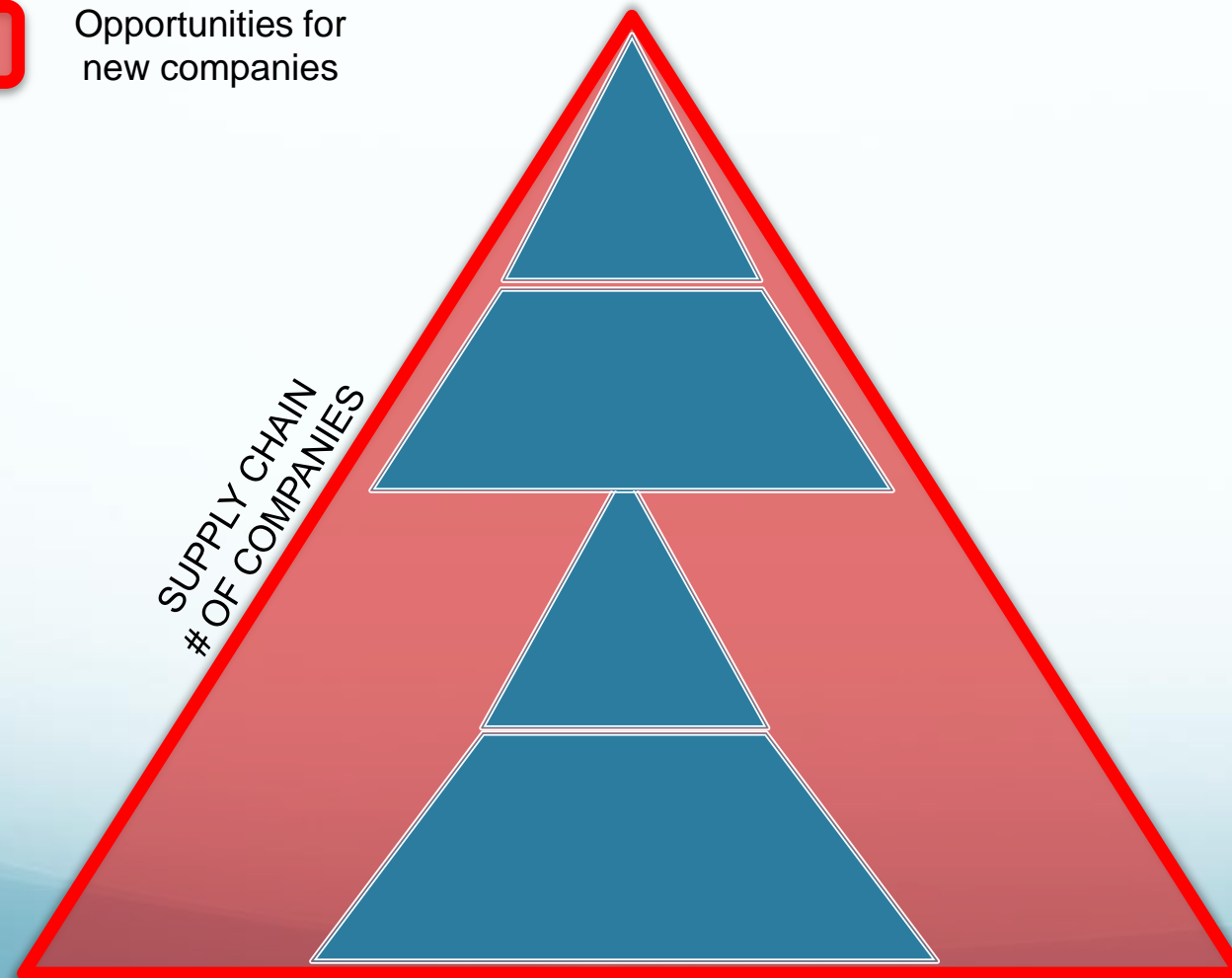
TIER 3

# Current Mexico's Supply Chain Structure

## The Oversized Head Pyramid



Opportunities for new companies



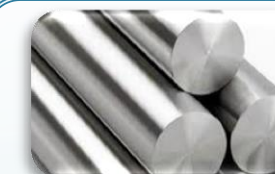
OEM



TIER 1



TIER 2



TIER 3

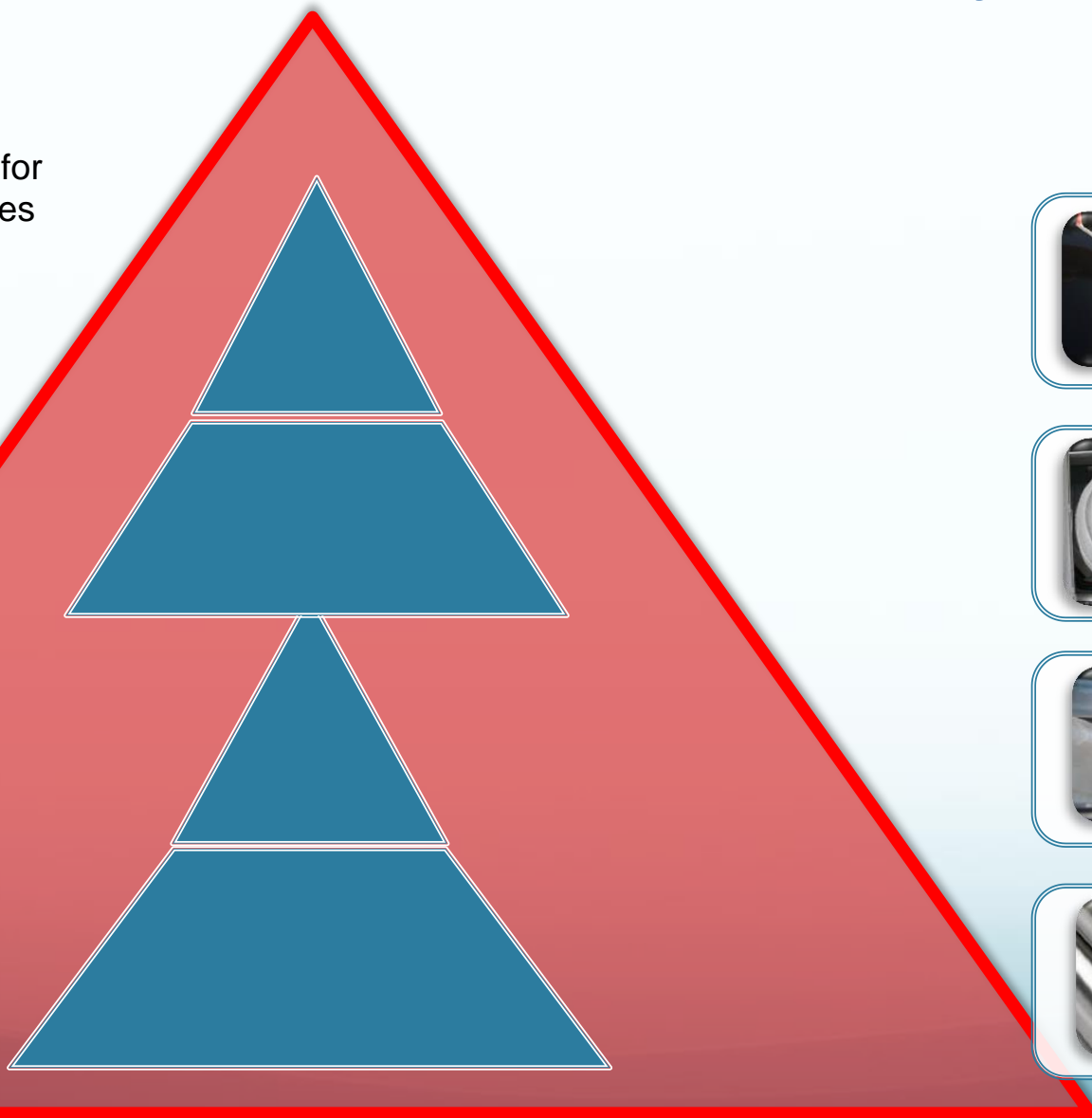
# Current Mexico's Supply Chain Structure

## The Oversized Head Pyramid



Opportunities for new companies

SUPPLY CHAIN  
# OF COMPANIES



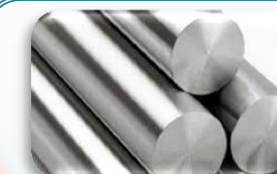
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TIER 1

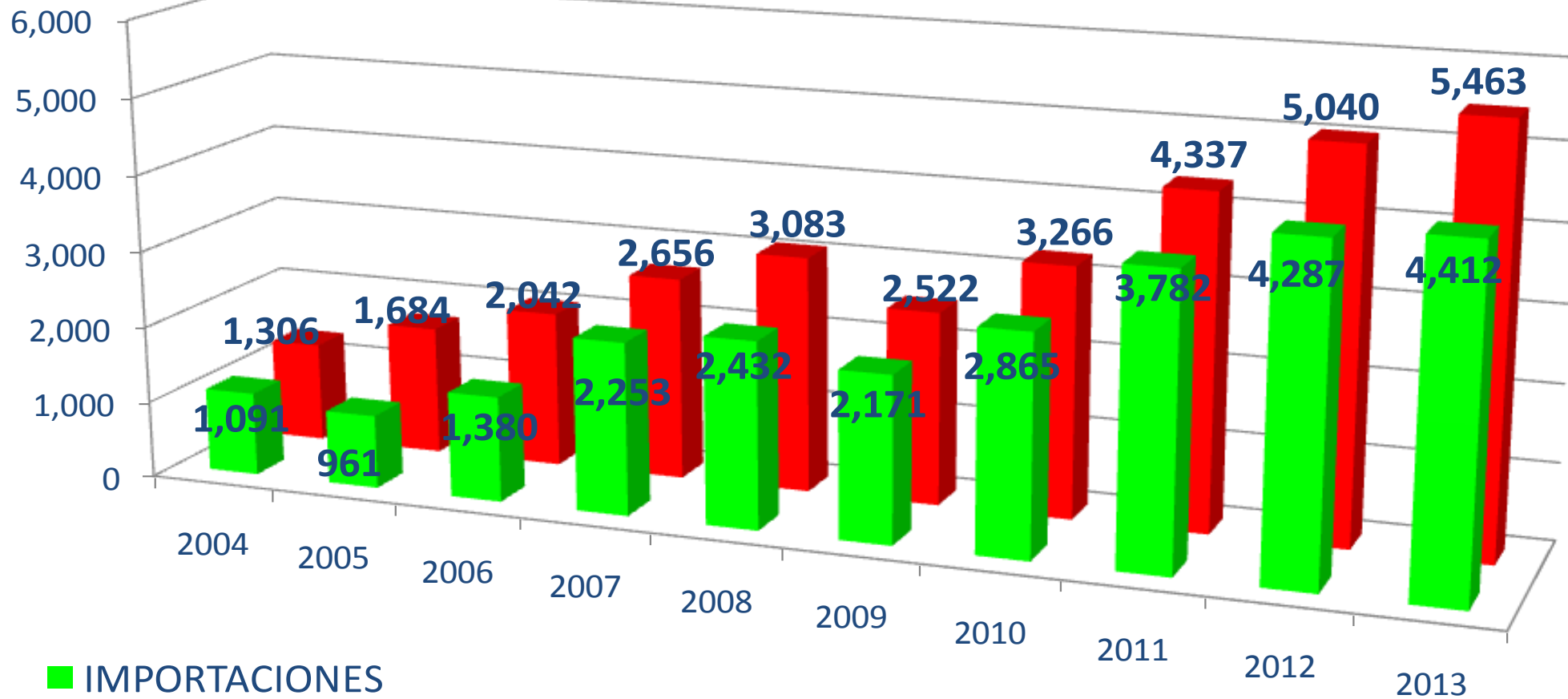


TIER 2



TIER 3

## Exports vs. Imports (Millions of USD)



■ IMPORTACIONES

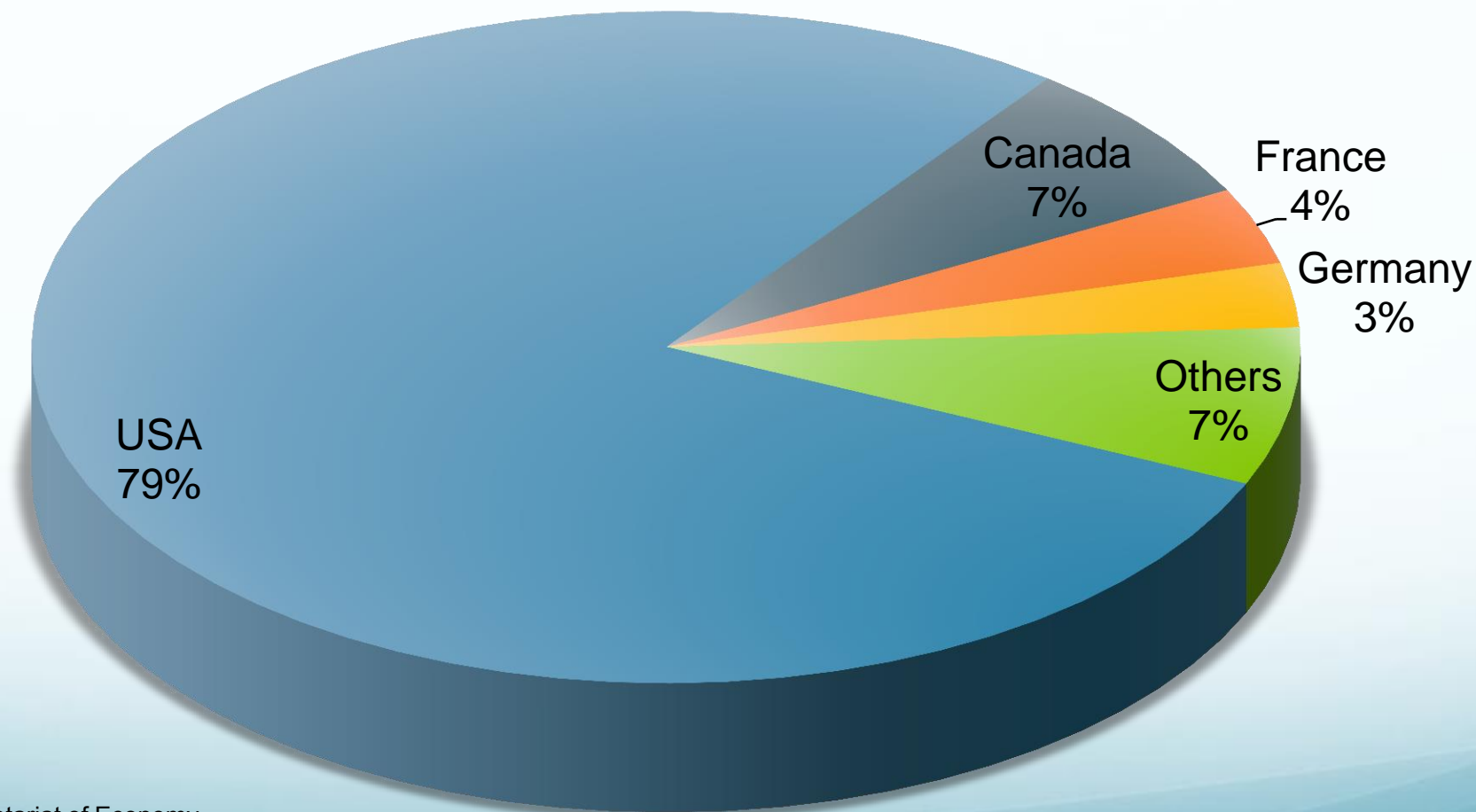
■ EXPORTACIONES

Source: Mexico's Secretariat of Economy



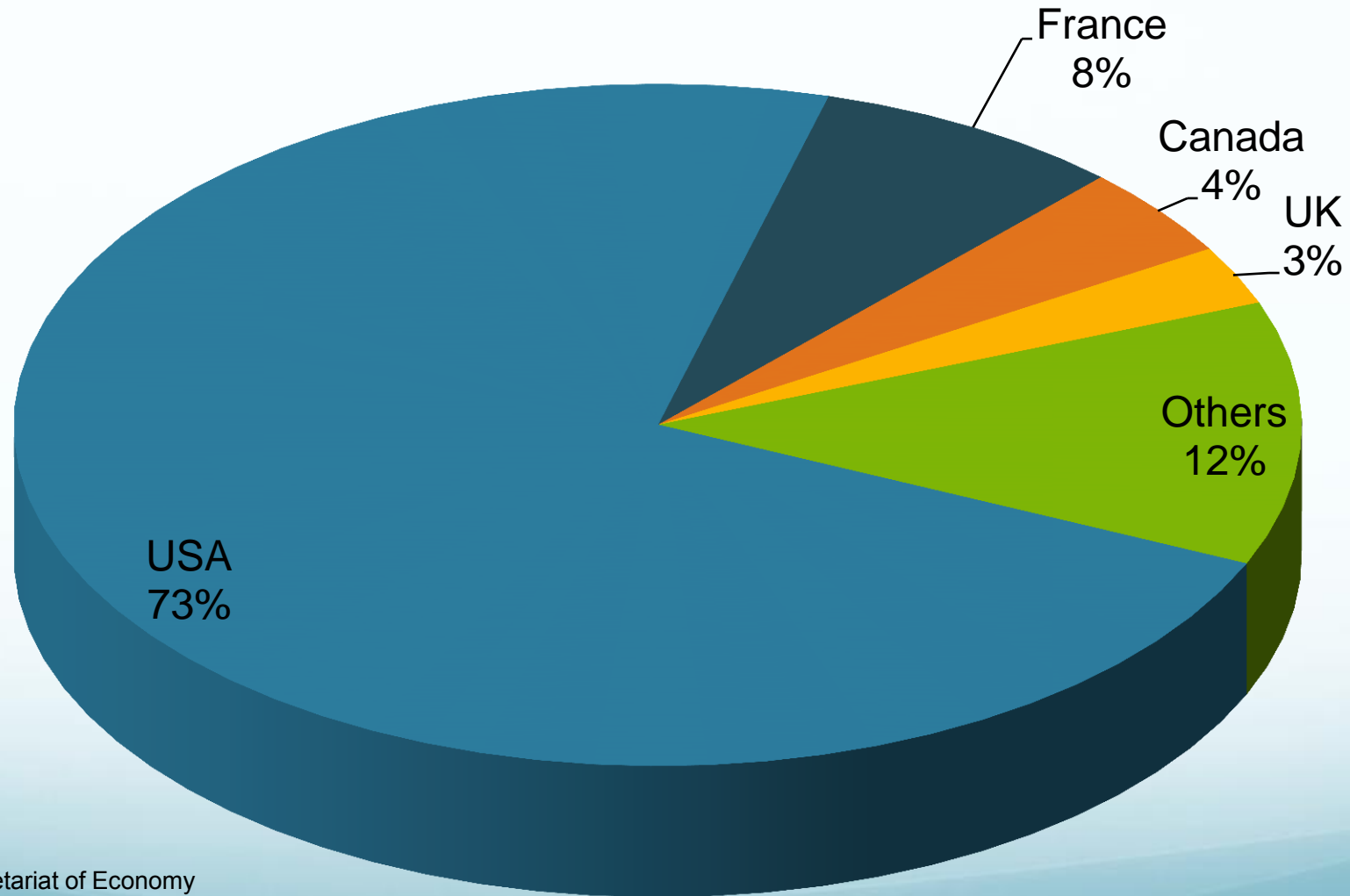
# Mexico's Exports Destinations

**% of Exports from Mexico**



# Mexico's Imports Origin

**% of Imports to Mexico**



## Trade Balance of Mexico's Aerospace Industry (Millions of USD)

Year	Imports	Exports	Balance
2004	1,091	1,306	215
2005	961	1,684	723
2006	1,380	2,042	662
2007	2,253	2,656	403
2008	2,432	3,083	651
2009	2,171	2,522	351
2010	2,865	3,266	401
2011	3,782	4,337	555
2012	4,287	5,040	753
<b>2013</b>	<b>4,412</b>	<b>5,463</b>	<b>1,051</b>

**Avg Annual: 18.3%**      **Avg Annual: 36.9%**

# Future of the Aerospace Industry in Mexico

## **GOALS 2020:**

1. Mexico ranked 10<sup>th</sup> among the Aerospace countries in the world.
2. Exports of 12,000 million USD.
3. 110,000 jobs.
4. 50% Mexican value added in Manufacturing.



# *Thank You!!!*

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