Enhancing your competitiveness…
Mexico,
Enhancing your competitiveness through effective policies…
Mexico’s Strategy for development

1. Crime prevention
2. Fight poverty
3. Education
4. Economic growth
5. Global responsibility

5 MAJOR GOALS

ProMéxico
Mexico,
Enhancing your competitiveness through a friendly Business Environment …
We are a well positioned country…

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Brazil B</th>
<th>Russia R</th>
<th>India I</th>
<th>China C</th>
<th>Mexico M</th>
<th>Indonesia I</th>
<th>South Korea S</th>
<th>Turkey T</th>
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</thead>
<tbody>
<tr>
<td>1. Macroeconomic environment</td>
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<td>2. Open economy</td>
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<td>3. Economic complexity</td>
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<td>4. Total manufacturing cost</td>
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<td>5. Domestic market</td>
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<td>6. Demography</td>
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<td>7. Workforce quality</td>
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<td>8. Engineering graduates (per capita)</td>
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<td>9. Democratic system</td>
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<td>10. Human Development Index</td>
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</tbody>
</table>

**Equal or above Mexico**

**Below Mexico, but close**

**Clearly under Mexico**

That is continuously improving...

**DOING BUSINESS 2013**
- 4th consecutive year improving
- Beyond BRIC’s

**GLOBAL COMPETITIVENESS REPORT 2012**
- Largest improvement in America
- Best ranking in our history

**WORLD COMPETITIVENESS YEARBOOK 2012**
- Only country in Latin America that improved ranking.
- Above Russia and Turkey.
Mexico,
Enhancing your competitiveness through Manufacturing advantages…
We have a competitive manufacturing cost platform...

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

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

And technologically sophisticated…

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Country</th>
<th>% GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Germany</td>
<td>28.2%</td>
</tr>
<tr>
<td>2</td>
<td>South Korea</td>
<td>27.2%</td>
</tr>
<tr>
<td>3</td>
<td><strong>Mexico</strong></td>
<td><strong>19.3%</strong></td>
</tr>
<tr>
<td>4</td>
<td>China</td>
<td>18.3%</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>13.1%</td>
</tr>
<tr>
<td>6</td>
<td>Canada</td>
<td>11.6%</td>
</tr>
<tr>
<td>7</td>
<td>Japan</td>
<td>10.6%</td>
</tr>
<tr>
<td>8</td>
<td>Italy</td>
<td>10.5%</td>
</tr>
<tr>
<td>9</td>
<td>United Kingdom</td>
<td>9.9%</td>
</tr>
<tr>
<td>10</td>
<td>Indonesia</td>
<td>7.0%</td>
</tr>
<tr>
<td>11</td>
<td>United States</td>
<td>5.5%</td>
</tr>
<tr>
<td>12</td>
<td>Turkey</td>
<td>5.2%</td>
</tr>
<tr>
<td>13</td>
<td>India</td>
<td>4.0%</td>
</tr>
<tr>
<td>14</td>
<td>Brazil</td>
<td>3.5%</td>
</tr>
<tr>
<td>15</td>
<td>Russia</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

**Medium Technology (MT):**
- Specialty Chemicals
- Machinery, Equipment, Appliances
- Electrical Industrial Machinery
- Motor Vehicles & Parts Total
- Motorcycles & Transport. Equipment
- Railroads & Equipment

**High Technology (HT):**
- Air & Spacecraft
- Advanced materials
- Computers & Office Machinery
- Communication Equipment
- Medical, Precision & Optical

- **80% of Mexican exports in 2011 were manufactured goods.**

Source: IHS Data – Global Insight; ProMéxico’s Analysis. Data in USD Real terms, 2005, considering de G20 countries.
Map of Mexico’s Advanced Manufacturing
Mexico,
Enhancing your competitiveness through Market Opportunities …
We are leaders in Key sectors...

AEROSPACE
• Mexico is the 6th supplier to the American aerospace industry.
• The number of companies grew 4 times since 2005.

MEDICAL DEVICES
• Largest exporter in Latin America and main supplier to the US.

AUTOMOTIVE AND AUTOPARTS
• 8th producer and 4th exporter globally of light vehicles.
• 11% of light vehicles sold in the US were produced in Mexico.
• Mexico is the main auto parts supplier to the US and the 5th worldwide.

ELECTRIC-ELECTRONIC
• Leading flat screen TV exporter in the world.
• First exporter of refrigerators with freezer (with separate doors).
• 7th largest exporter of mobile phones

370 billion in exports
+80% manufactures
+50% medium and high tech manufactures
With specific opportunities in the aerospace global supply chain...

Less than 5% of the Aerospace processes are located in México

Treatments
Sheet metal
Machining
Electronics
Castings
Forgings
Harnesses

Source: ProMéxico with information provided by main aerospace companies.
…in the automotive global supply chain…

10 main processes
85%*

Punching and stamping
11.8bn

Forging
9.9bn

Machining
9.2bn

Injection molding
9.1bn

Die casting
6.4bn

Other parts/components
3.3 bn

Automotive interiors
2.7bn

Electronic assembly
2.5bn

Cables and wires
2.2bn

*In billion USD

Source: ProMéxico with information provided by main automotive companies.
And in the electric global supply chain.

10 main processes
90%*

*In billion USD

Source: ProMéxico with information provided by main electric companies companies.
Moreover, we encourage Mexican Foreign Investments as a business opportunity
What is Mexican Foreign Investment?

ProMéxico’s Mexican Foreign Investment or Internationalization model is aimed in helping Mexican companies to have a commercial arm or a production factory abroad, whereby the Mexican company place their products and services in one or more foreign markets.

Advantages:

- Exchange of management skills and techniques
- Reduce the dependence on a single market
- Greater incentives to invest in research and development
- Strengthening of global production and value chains
- It enhances Mexico as a country brand
- Mexican companies generate economic welfare in local communities
- Mexican companies abroad lead to economic empowerment of Mexico
outward investment results

- 1st time Mexican Foreign Investment exceed FDI reaching more than 25,000 million dollars
- 2nd largest foreign investor in Latin America
Internationalization process

Export process

Mexican Foreign Investment Process

Prospecting
- Identification of potential companies
- Business capability assessment
- Business case development
- Specialized consultancy in Mexico

Export consolidation
- Identification of potential markets
- Consolidation of business activities

Site selection and intl. support
- Identification of potential partners
- Guidance for Intl actions
- Business Agenda abroad
- Recommendations for establishment abroad
- Support on immigration requirements

Confirmation of investment
- Follow up
- Identification of new investment projects abroad
- Building productive manufacturing facilities
- Acquisition of foreign firms
- Creating Partnerships with foreign companies
- Strategic alliances in key target media
- Creation of distribution center

Aftercare

Explore export opport

Identification of potential markets
Some mexican companies in our pipeline
Mexico,
Enhancing your competitiveness
by Partnering with you ...
ProMéxico is your main ally…

ProMexico is Mexico’s Federal Government agency responsible for the attraction of Foreign Direct Investment, the enhancement of exports and to promote Mexico’s participation in the global economy.
Providing the tools to make the right decisions…

Some of the services we offer to investors…

**Funding**
- Federal incentives
- Financing opportunities
- Export Consortia
- Travel Incentives

**Expert advice**
- Government paperwork
- Strategic Information
- Technology Route Maps
- Market Research
- Training in international trade
- Site selection

**Public Relations**
- Investment Announcements
- Special events

**Softlanding and Aftercare**
- Account Executives in Mexico and abroad
with specific services according to your needs
Close to you…

We have **29 offices** in 6 regional areas of the country

As well as **36 offices** around the world covering **71% of World GDP**
Therefore…

- **MEXICO** is an amazing **manufacturing platform**
- **MEXICO** has the **business environment** designed for success
- **MEXICO** can boost the **profitability of your investment**
- **MEXICO** will continue to rise as a World Class Market.
- **PROMEXICO** is your **main ally**…
Enhancing your competitiveness