



SOURCING IN MEXICO

FACT PACK

Swedish Trade Council in Mexico

2011

THE SWEDISH TRADE COUNCIL MAKES IT EASIER FOR SWEDISH COMPANIES TO GROW INTERNATIONALLY

Sweden:

- Headquarters in Stockholm, 100 employees
- 19 regional export advisers
- All Trade Commissioners regularly visit different parts of Sweden

Abroad:

- 66 offices, 500 employees in 57 countries
- Through partners and networks we cover more than 100 countries

Mexico:

- Office in Mexico City
- Covers Central America & the Caribbean



STC makes it easier for Swedish companies to make business in Mexico

MEXICO IN BRIEF

Area: 1 964 375 km²

Inhabitants: 113.72 million

Constitution: Federal Republic

Head of State: Sr. Felipe Calderón

Languages: Spanish (official)

Inhabitants per km²: 57.18 /km²

Currency: Mexican peso (MXN)

GDP 2010: 1.567 Trillion USD

GDP per capita 2010: 13,900 USD

Inflation 2010 : 4.40 %

Main exports: Manufactured goods, oil & oil products, silver, fruits, vegetables, coffee and cotton.

Main imports: Metal working machines, electrical equipment, steel mill products, agriculture machinery.

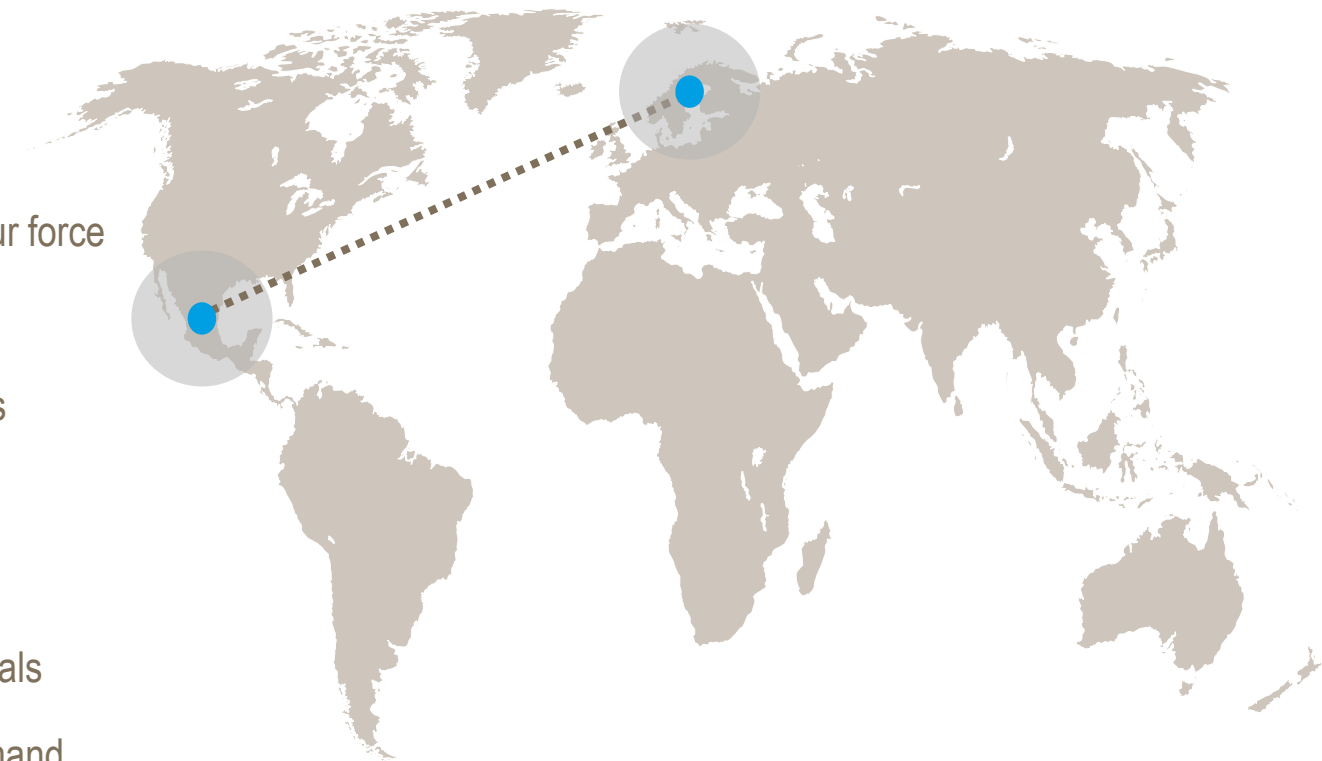
2010 Swedish exports to Mexico: 939 MUSD

2010 Swedish imports from Mexico: 108 MUSD



MAIN ADVANTAGES WHEN SOURCING FROM MEXICO

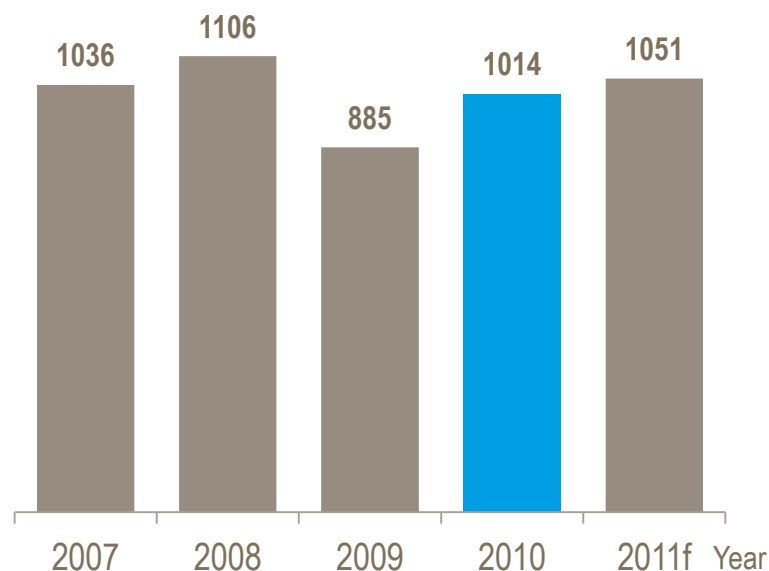
- Good legal and financial systems
- Cultural similarities
- Easiness to do business
- Well trained & low cost labour force
- Special economic zones
- Attractive logistics conditions
- Quality conscious producers
- Growing economy
- Price competitive raw materials
- Synergies with Swedish demand



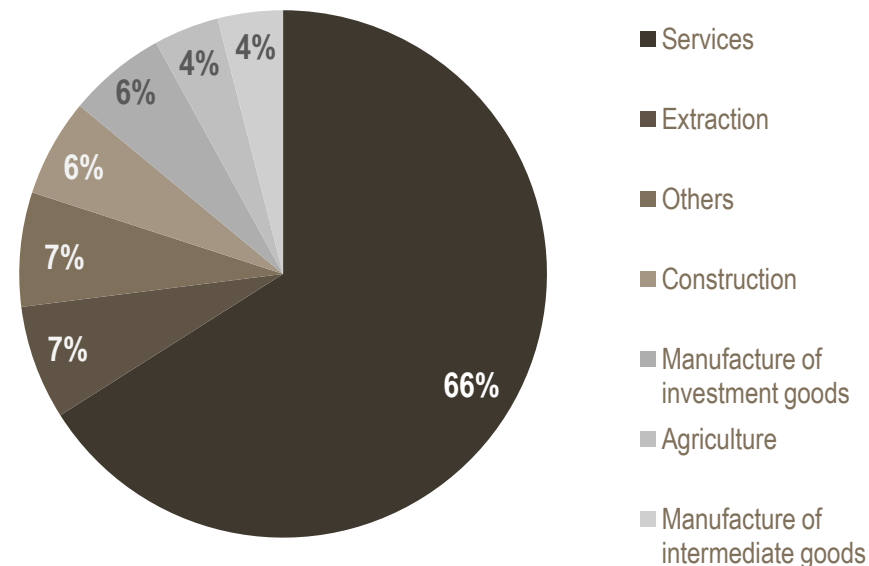
THE MANUFACTURING SECTOR REPRESENTED MORE THAN 178 BUSD (17.6%) OF THE NATIONAL GDP IN 2010

Mexican GDP current prices

BUSD

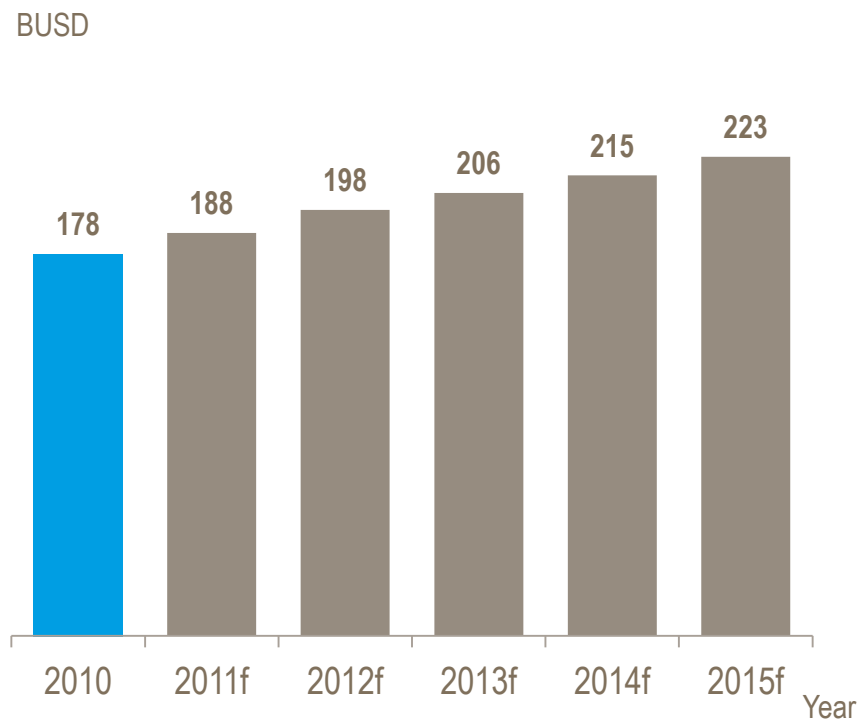


Manufacturing industry division 2010

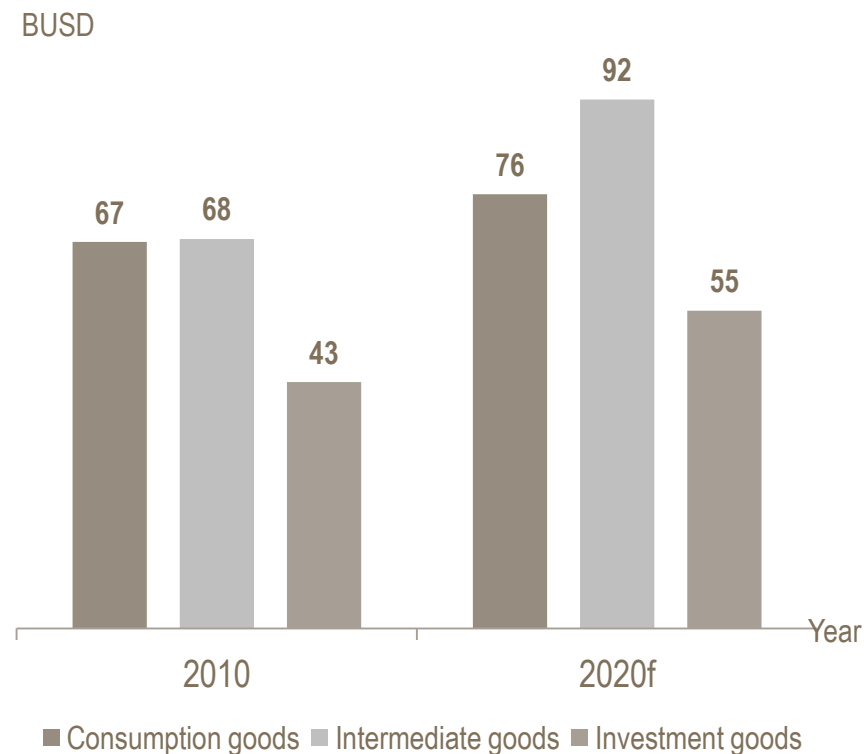


MEXICAN INDUSTRIES ARE FORECASTED TO KEEP A CONSTANT GROWTH

Forecast of the manufacturing industry

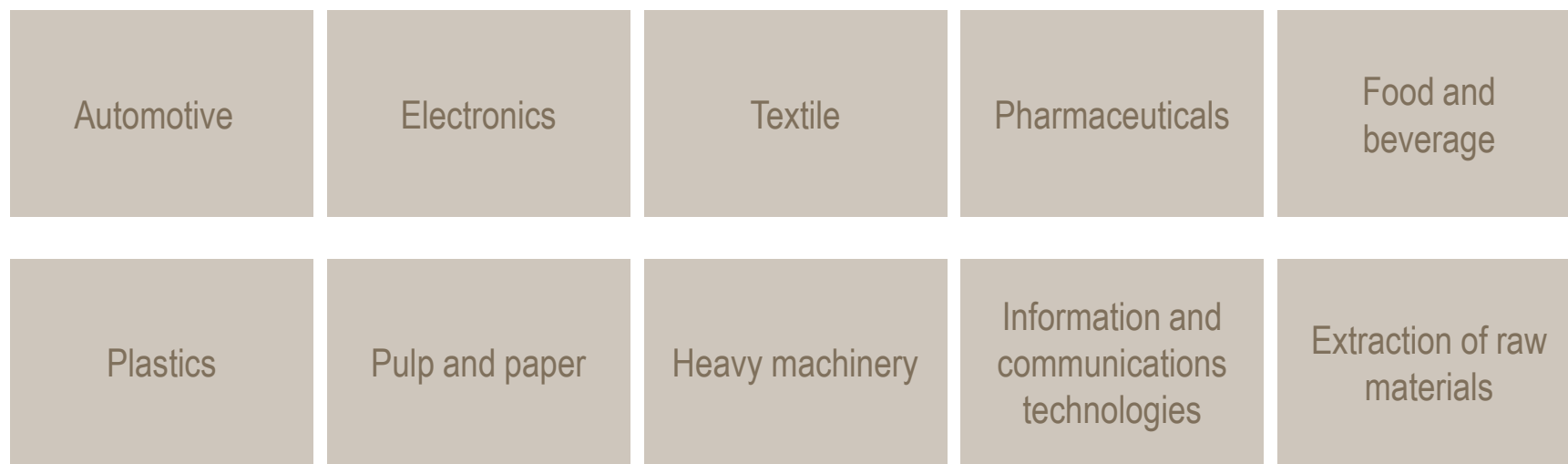


Forecast of the industrial sectors



Mexican industries estimated to grow with a stable 4% per year until 2020

THE 10 MOST IMPORTANT MANUFACTURING SECTORS IN MEXICO



These sectors represented in 2010 more than 96 BUSD, over 60% of the total value of the Mexican industry production

MEXICAN INDUSTRY IS PRIMARILY CENTERED AROUND MEXICO CITY AND THE US/MEXICAN BORDER



Source: STC Analysis

THE NORTHERN BORDER ATTRACTS MOST FOREIGN DIRECT INVESTMENT FOR MANUFACTURING



State	Total foreign direct investment 2010
Nuevo León	21,258
Chihuahua	11,172
Baja California	9,704
Sonora	3,937
Tamaulipas	3,668
Coahuila	2,880
Baja California Sur	2,034
Total	54,653 MUSD

The northern border states gives incentives to foreign companies as raw materials import tax reductions

Source: INEGI; ProMexico

CONSIDERATIONS FOR SOURCING IN MEXICO

Think globally

- Competing overseas with success will require more, not fewer business locations.

Pinpoint production

- Facilities should be considered where they'll do the most good.
- Focus on the Mexican expertise of industry sectors.
- Research for industry clusters and their location.

Develop a portfolio

- Plan which markets can be developed or expanded. This will help you determine how the future portfolio will look like.

Act strategically

- The decision of sourcing from Mexico should be part of a long-term strategy.
- Consider your next potential moves and long-term changes in your customer base and competitive environment.

USEFUL CONTACTS

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