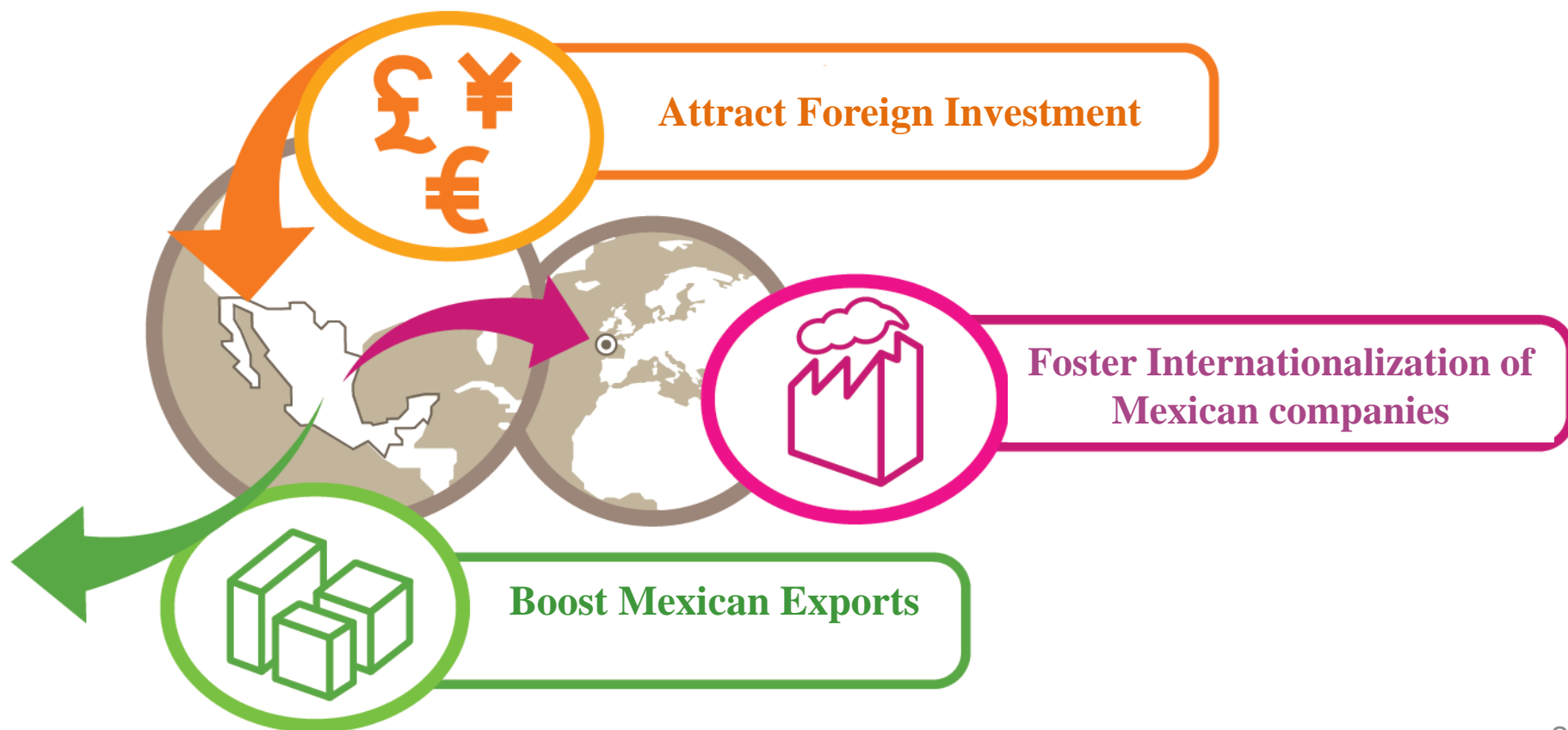




Your Strategic Partner

What is ProMéxico?

Mexican government entity with three main objectives:



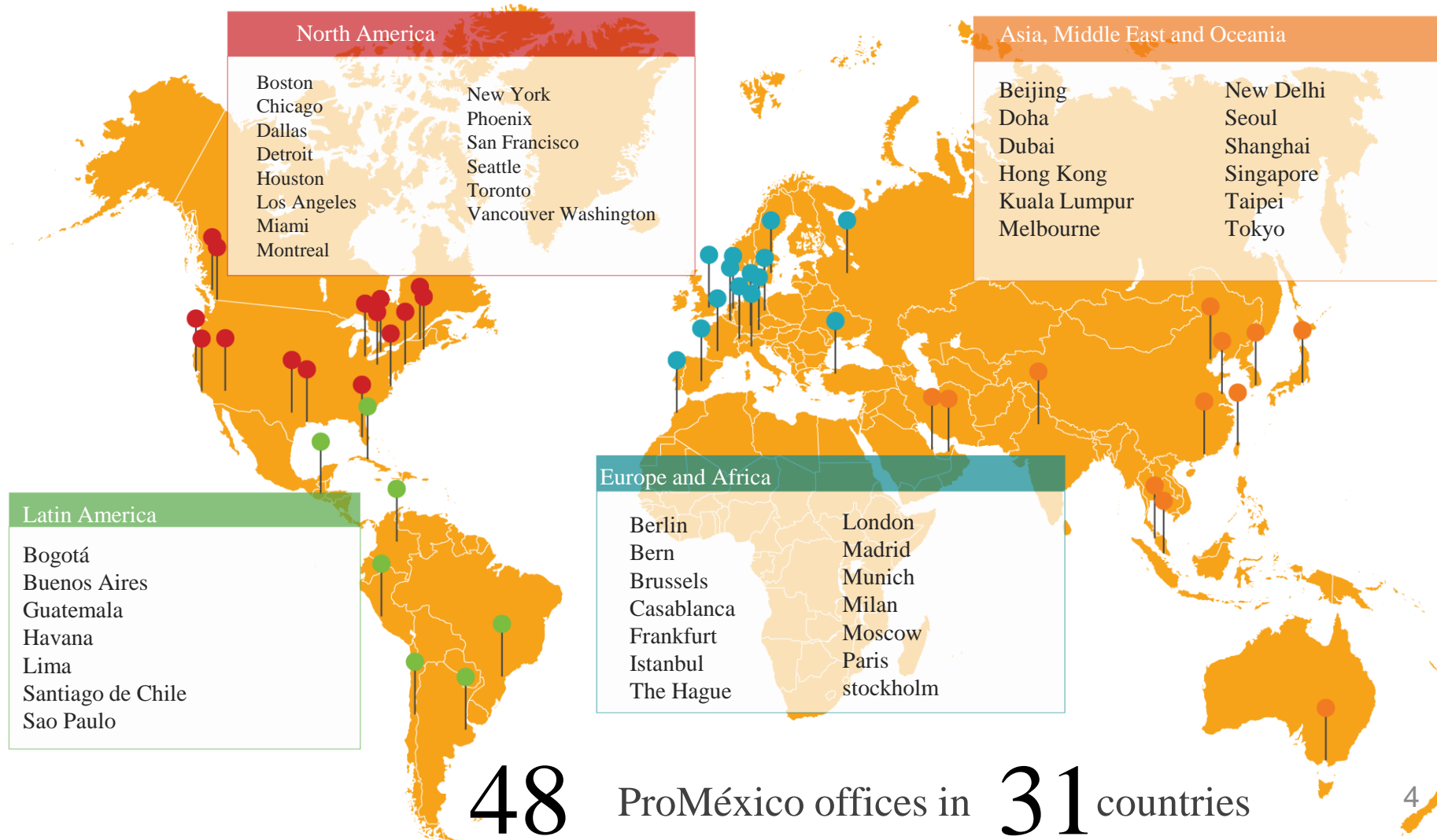
Our Network of Offices in Mexico

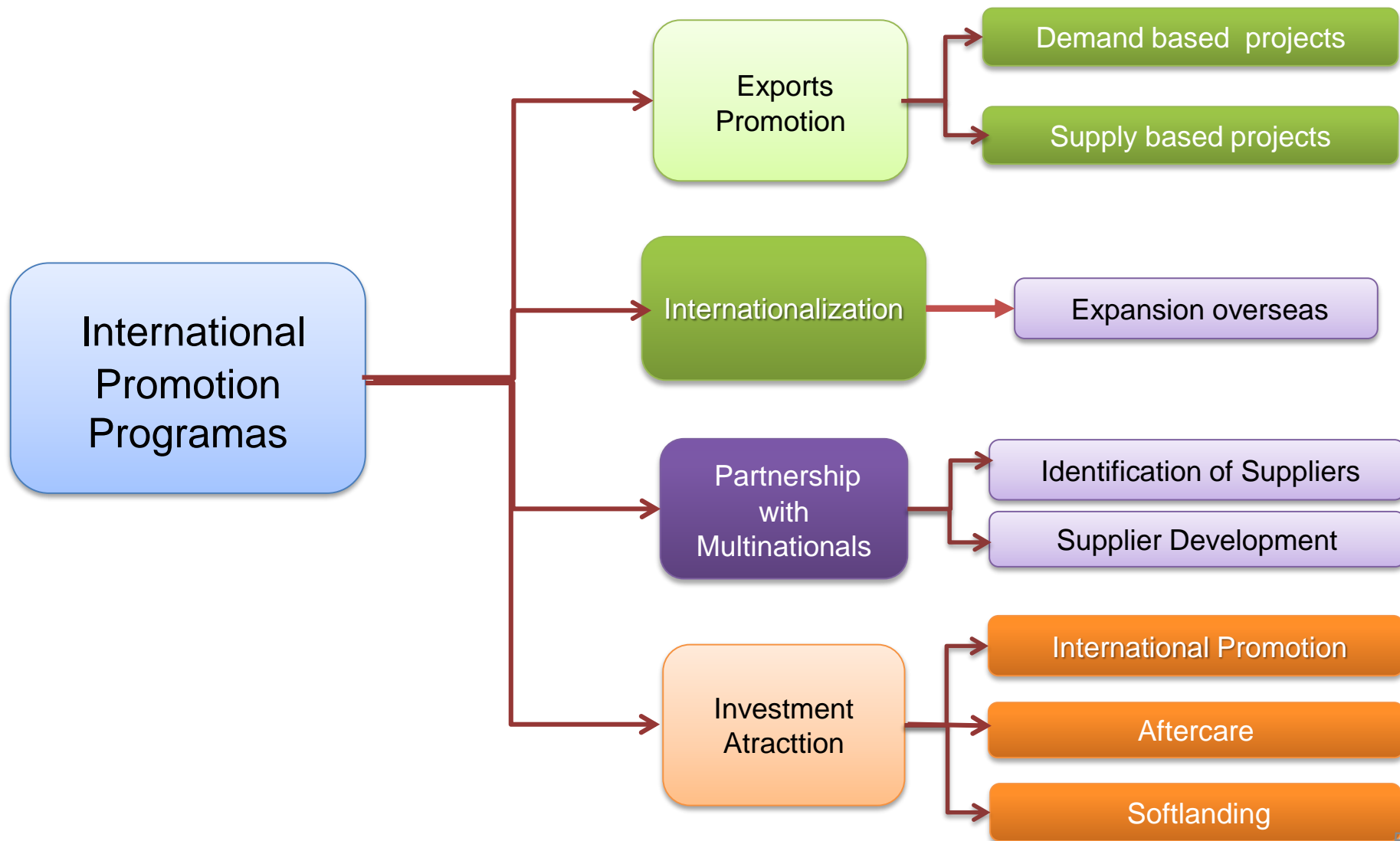


29

Offices of ProMéxico

Global Network of Trade Offices





Support for US companies

Support for US Companies Looking for Suppliers

- Identification of Qualified Suppliers
- ProMéxico B2B
- Match-making events
- Business Agendas in Mexico
- Suppliers Development
- Customized Sourcing Programs



5

For US Companies Expanding into Mexico



- Information & Advisory
- Site selection tools
- Introductions with Mexico state governments
- Services providers
- Identification of potential partners and suppliers
- Business agendas in Mexico
- Knowledge of local business community



7

MÉXICO



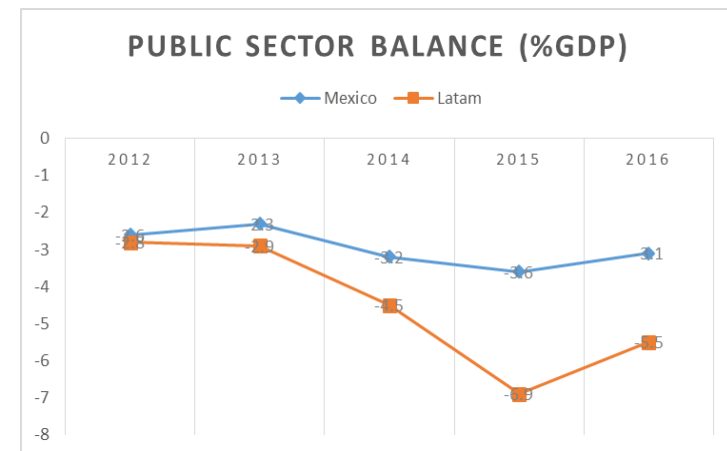
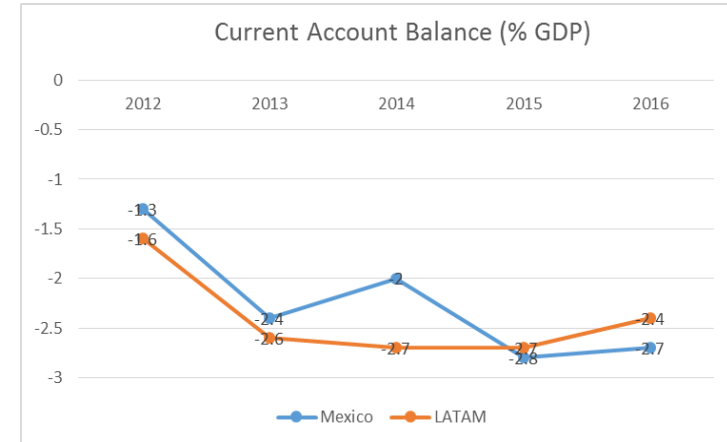
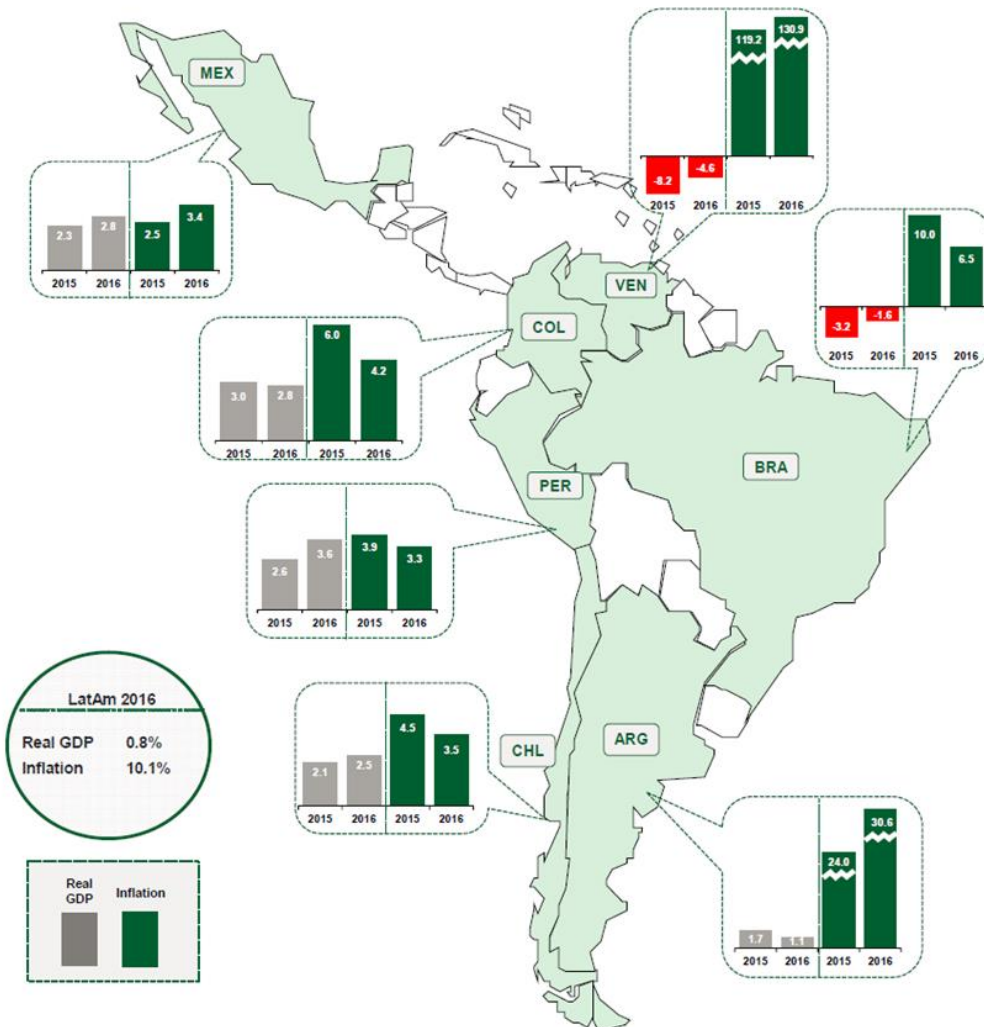
Investment Outlook

Mexico as an Investment Destination

- 1
 - Macroeconomic Stability
- 2
 - Strategic Location
- 3
 - Committed to Free Trade
- 4
 - Large Presence of FDI
- 5
 - Strong Manufacturing & Competitive Costs
- 6
 - Growing Domestic Market
- 7
 - Structural Reforms

1. Solid Macroeconomic Stability

Exhibit 5: LatAm: 2016 Forecasted Real GDP Growth and Inflation Map



2. Strategic Location: 1,864 mile border with the United States



Mexico shares with the U.S.
a border of more than
1,860 miles.

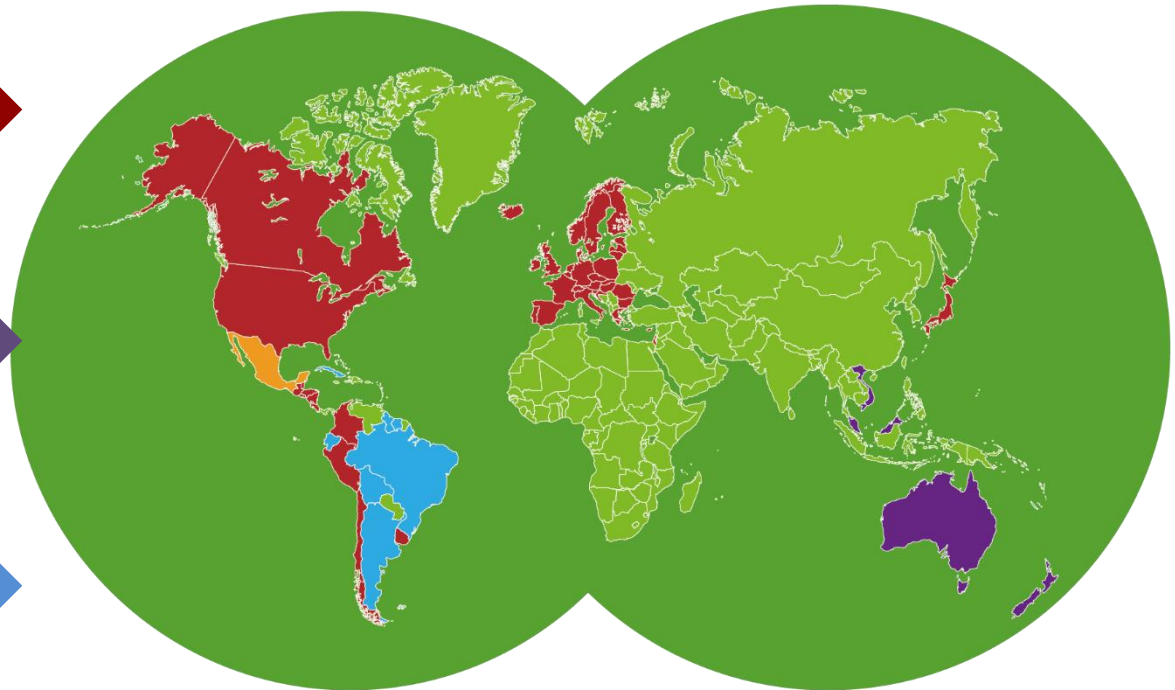
3. Open Economy Committed to Free Trade

With FTA Mexico has privileged access to 46 countries,
more than 1,200 million people

FTAs with 46 countries

TPP

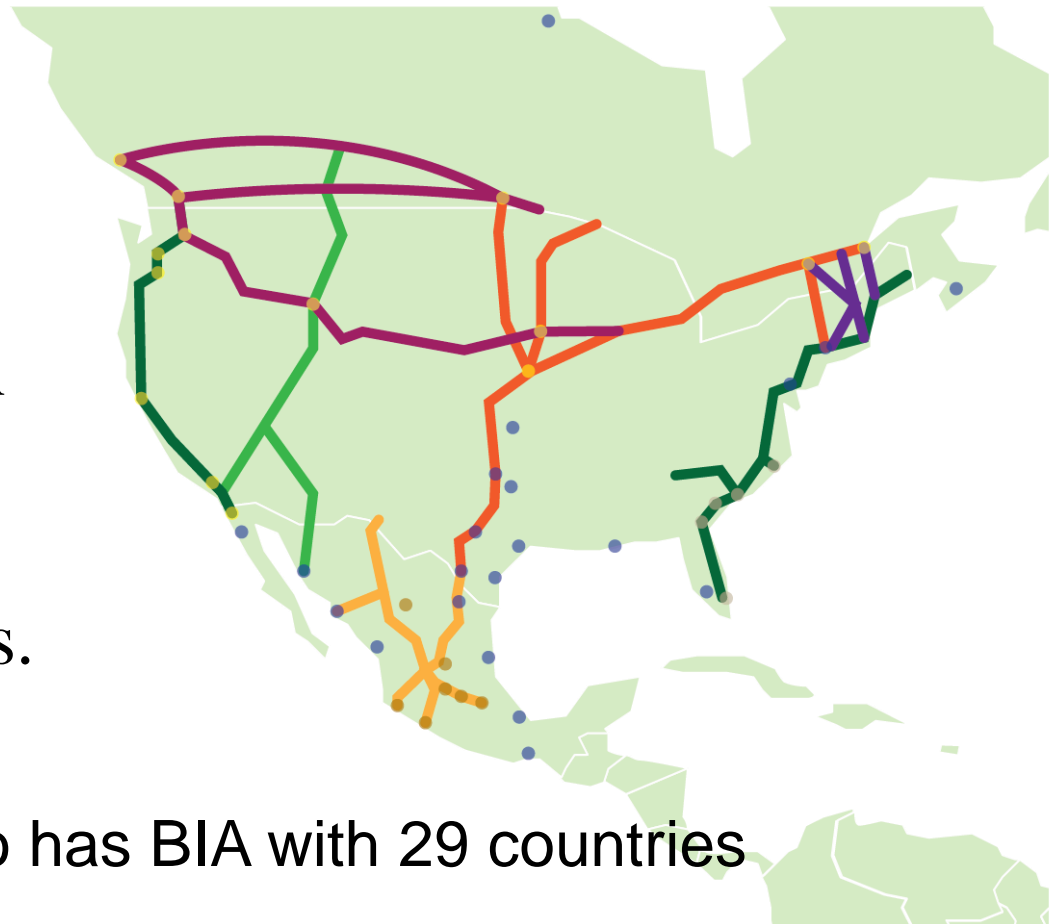
**6 economic
complementation
agreements**



With the TPP, Mexico will increase its presence in Australia, Brunei, Malaysia, New Zealand, Singapore and Vietnam.

3. Mexico as part of NAFTA

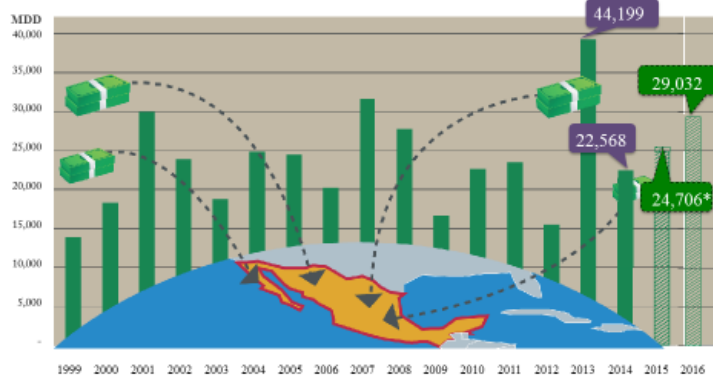
- NAFTA market= 20.5 trillion USD.
- Not only a FTA
- Provisions for Investment Protection and IPR.
- Mechanism for Resolution of disputes.



In addition to FTA; Mexico has BIA with 29 countries

4. Significant Presence of Foreign Direct Investment

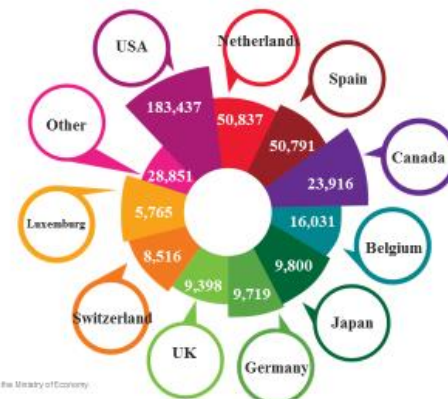
FDI flows into Mexico (1999-2016)



Source: Profidatos with information from the Ministry of Economy. UNCTAD *Central Bank estimation (march 2015).

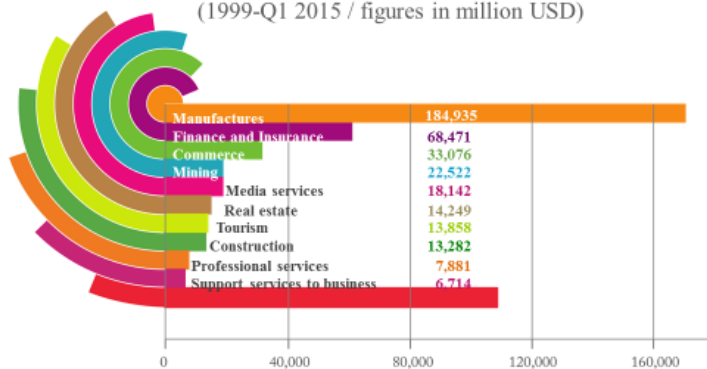
Major investors in Mexico

FDI in Mexico per country of origin (1999-Q1 2015)



Source: ProMéxico with information from the Ministry of Economy.

FDI inflows in Mexico per sector
(1999-Q1 2015 / figures in million USD)



Source: Profidatos with information from the Ministry of Economy.

Large Presence of Foreign Companies



5. Mexico is Leader in Key Manufacturing Sectors

4th
**Automotive
Exporter**



5th
**Exporter of
Computers**



**Leading Flat
Television Exporter**

Top Destination

**Aerospace
Manufacturing
Investment**

10th
**Exporter of
Cellphones**



**1st exporter of
Medical Devices in LATAM**

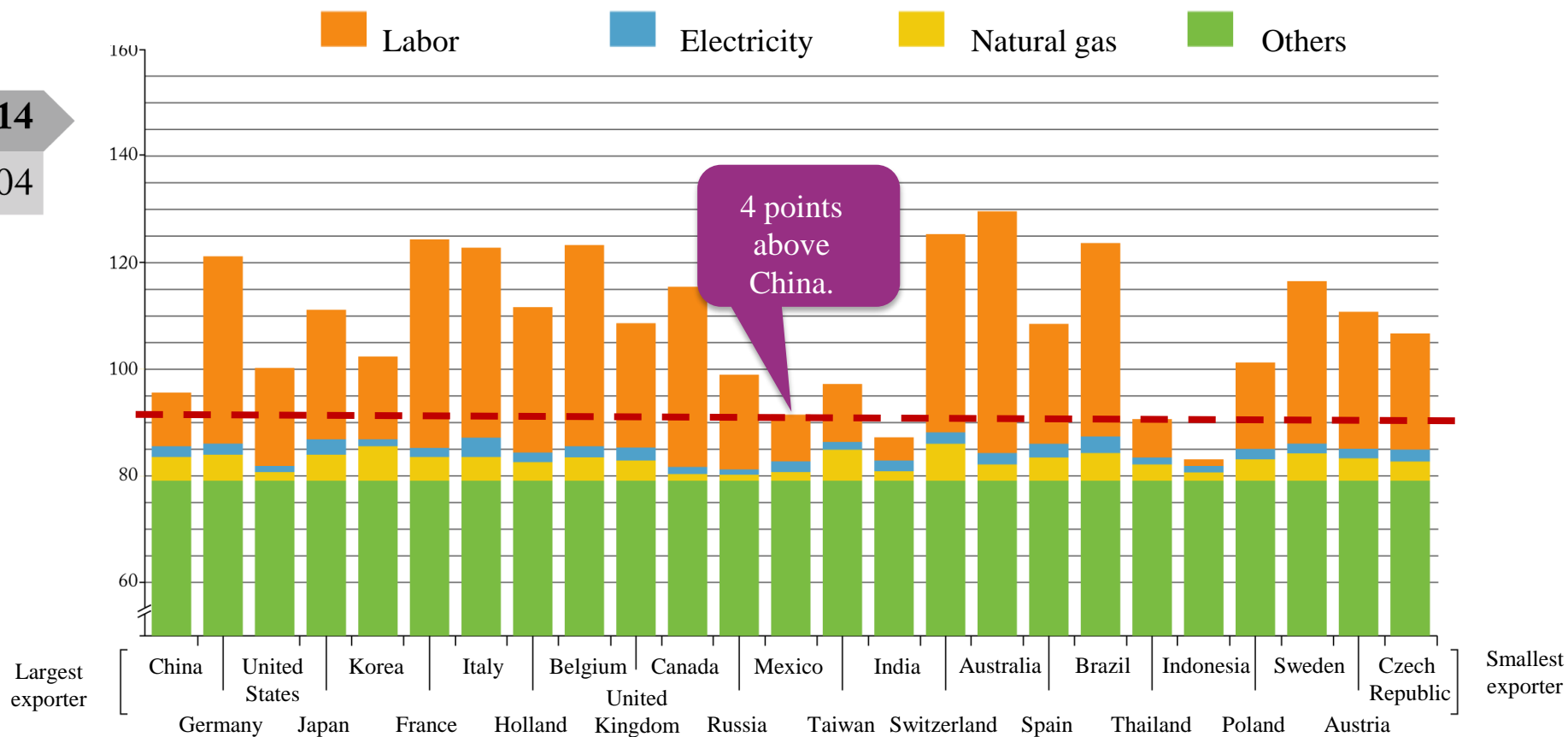


**3rd Largest Exporter
IT in the World**

**Top Destination for
Engineering &
Research Talent**

5. Mexico's a country of competitive costs

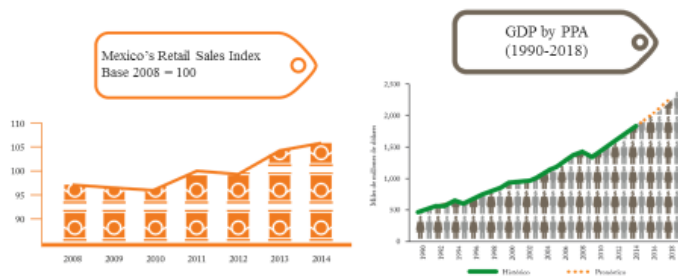
Average production cost index



6. Growing Domestic Market



Large domestic market



- **17,880** median income (PPA).
- According to forecasts, income will grow **16.6%** by from 2014 to 2018.

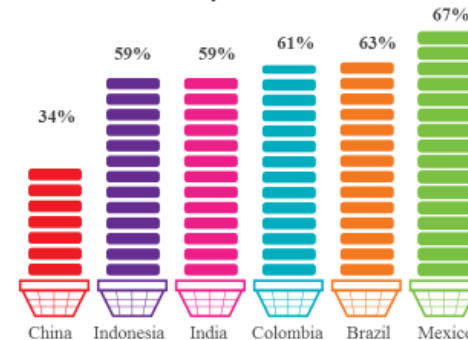
Source: ProMéxico, with information from SEGI and BIP.

50



Mexico private Consumption outpaces its peers

2013 Private Consumption as a % of GDP

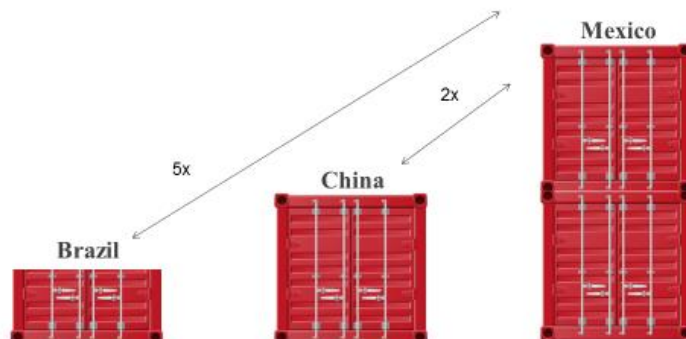


Source: ProMéxico with information of Instituto Brasileiro de Geografia e Estatística, Departamento Administrativo Nacional de Estadística, Instituto Nacional de Estadística Geografía e Informática, Central Statistical Organization, India, Badan Pusat Statistik, China National Bureau of Statistics, Naver Analytics.

49



Mexico: Second largest buyer to the U.S

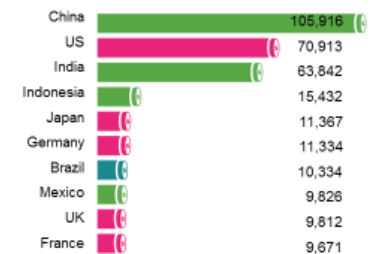
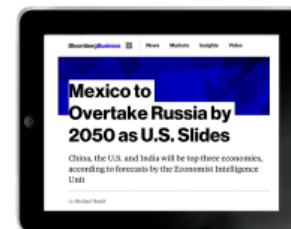


9



Mexico will become the 8th largest economy

2050

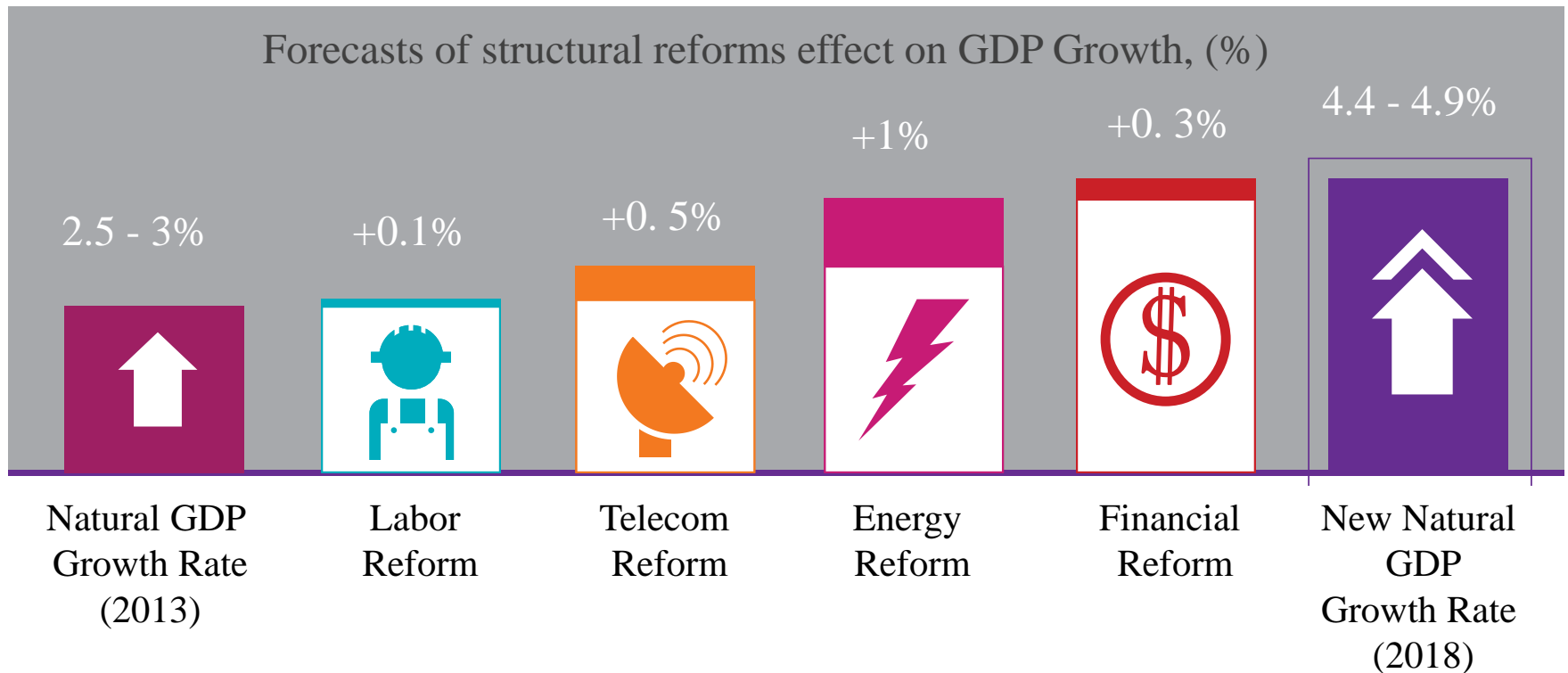


- 📈 Economy moves up rankings
- 📉 Economy moves down rankings
- 📊 Economy remains at rankings

Source: ProMéxico with information from Bloomberg and The Economist

10

7. Structural Reforms with significant impact in GDP & Competitiveness



7. Most significant changes: Energy & Telecommunications Sectors



Energy

- New legislation allows PEMEX to partner with private sector firms.
- Oil Fields are now open to outside exploration & development.



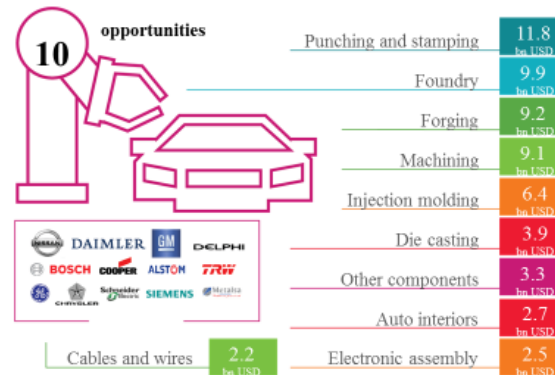
Telecommunications

- Reforms to improve competition and diminish concentration in sector.
- Creation of a new constitutionally autonomous regulator

Business & Investment Opportunities

- Automotive
- Energy
- Telecommunications
- Medical devices
- Franchises
- Environmental
- Infrastructure -
- Construction
- New technologies
- Education – Training

Emerging opportunities in the automotive sector



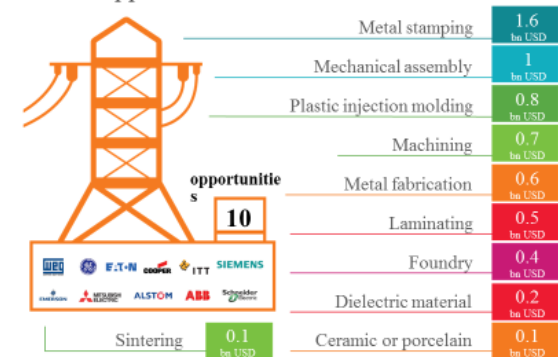
Source: ProMéxico with information provided by the major OEMs and Tier 1 in the country.

Opportunities in the aerospace sector



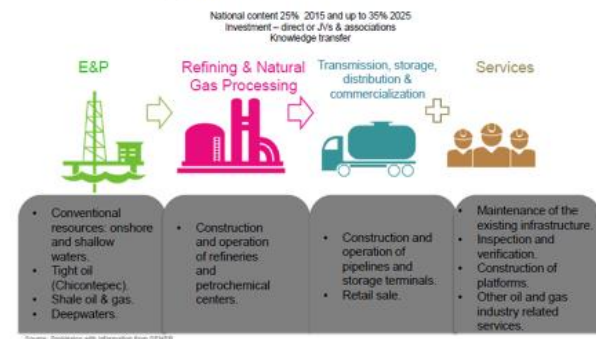
Source: ProMéxico with information provided by the major OEMs and Tier 1 in the country.

Opportunities in the electric sector



Source: ProMéxico with information provided by the major OEMs and Tier 1 in the country.

Opportunities in the value chain



Source: ProMéxico with information from CENSA.

PRO **México**

Inversión y Comercio



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