

Mexico Market Insights: Exploring Trade and Investment Prospects

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GOBIERNO DE
MÉXICO

RELACIONES EXTERIORES
SECRETARÍA DE RELACIONES EXTERIORES





Population
131.1 millions

Area
1,972,550 km²

ECONOMY
GDP (2022)
\$1.414 billion

GDP per capita (2022)
11,091 USD

Trade (2021)
Exp \$522.2 billion
Imp \$561.4 billion

Strategic geographic location and competitive logistics infrastructure



49
CUSTOMS

21 in borderlines | 11 internals | 7 maritime | 10 air customs



102
ports and
terminals
in the Pacific
Ocean coasts



59
terminals
in the Gulf of
Mexico and the
Caribbean coasts



15
road
corridors



Rail
connection
with the US
and Canada
23,389 km



76
airports
64 international
12 national

Healthy finances and macroeconomic stability



Inflation control

ANNUAL RATE THAT HAS REMAINED BELOW

7%



Fiscal discipline

3%

HAS REMAINED BELOW IN THE PUBLIC BUDGET DEFICIT RECENT YEARS



Foreign Exchange Reserves

203 BILLION IN 2022



Mexican peso



Diversified economy



18% GDP IN MANUFACTURING INDUSTRIES



AUTOMOTIVE



AEROSPACE



ELECTRONICS



Extensive commercial network of international agreements and treaties (FTAs)

14 Trade Agreements with 50 countries
(60% of world GDP) and 30 Investment Agreements

USMCA (3 countries)

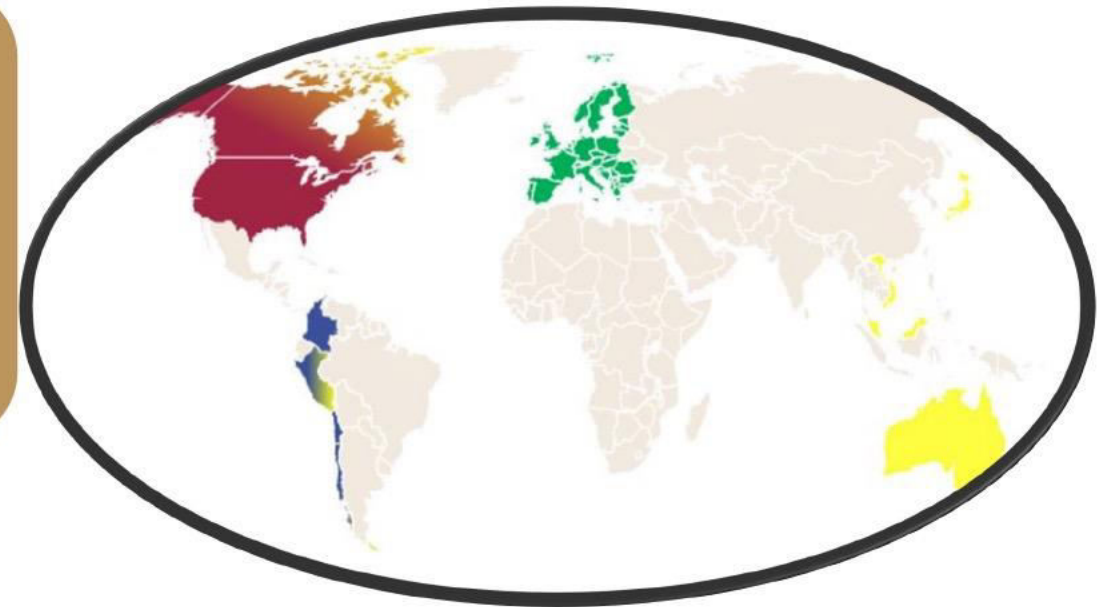
- USD\$1.3 Trillion in trade (2023)
- 16% of world trade
- 17% world GDP

CPTPP (11 countries 3 continents)

- USD\$74 Bn trade (2019)
- 13% of world GDP
- Emerging markets

Mexico - European Union (27 countries)

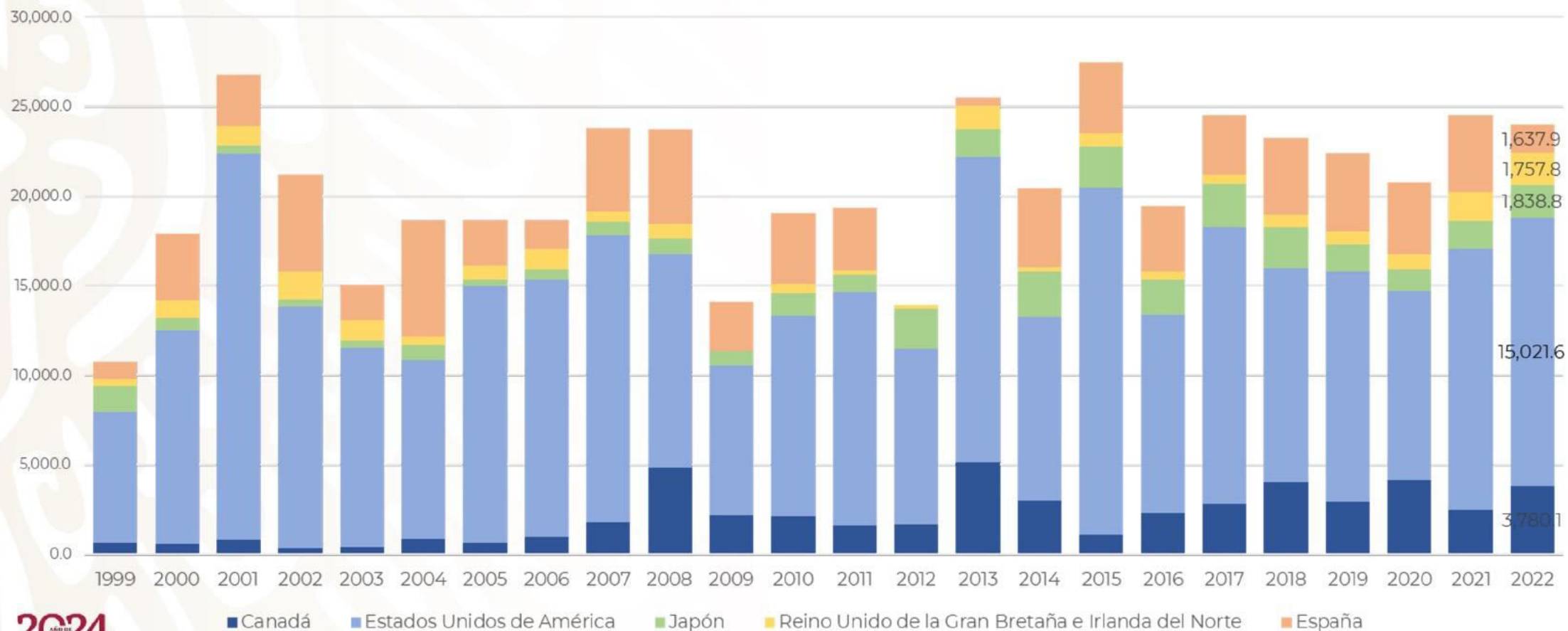
- USD\$75 Bn trade(2019)
- 447.7 million inhabitants
- High-quality standards



Leader in attracting Foreign Direct Investment (FDI)

Foreign Direct Investment trends per country

*All numbers expressed in thousands of millions of dollars.



Profitability for new businesses



- 11th place worldwide in terms of providing credit opportunities to new international companies.



Incentives to attract investments

IMMEX

- Free payment of general import tax (IGI – 15%).
- Free value added tax (VAT – 16%).
- Free of compensatory quotas

PROSEC

- Free payment of general import tax (IGI – 15%).

IVA and ISR

- The Value Added Tax (VAT) is returned from 20 to 40 days up to 100%, in purchases and investments, when it is taxed at the general rate or at reduced rates.
- The Income Tax (ISR) that has a rate of 30%, allows deducting all expenses and investments.

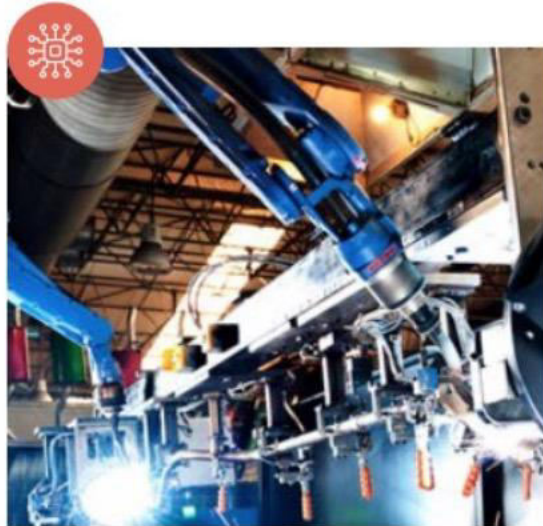
“FREE ZONES”
IN BOTH OUR NORTHERN AND SOUTHERN
BORDERS!

Export power

Mexico has become an export powerhouse in recent decades due to a combination of factors, including strategic trade policies, economic reforms, and investment in key industries.



1ST AUTOMOTIVE EXPORTER IN LATIN AMERICA AND 4TH WORLDWIDE



1ST IN LATIN AMERICA IN HIGH TECHNOLOGY EXPORTS



2ND PHARMACEUTICAL MARKET IN LATIN AMERICA AND 12TH IN THE WORLD, 7TH EXPORTER OF MEDICAL DEVICES WORLDWIDE



8TH WORLD PRODUCER OF ELECTRONICS AND 10TH EXPORTER OF MACHINERY AND MECHANICAL DEVICES

Sectors with business opportunities



Automotive and spare parts



Aerospace



Electrical and electronic components



Digital Commerce

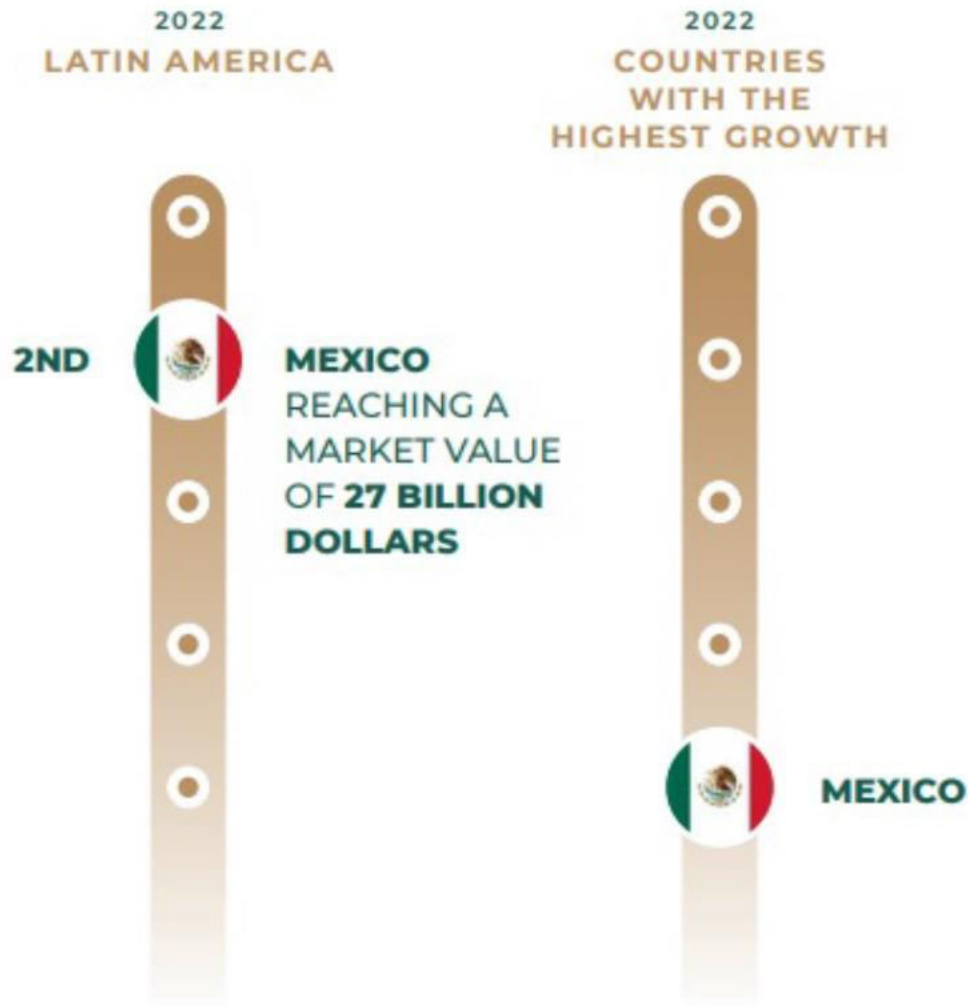


Medical devices



Energy

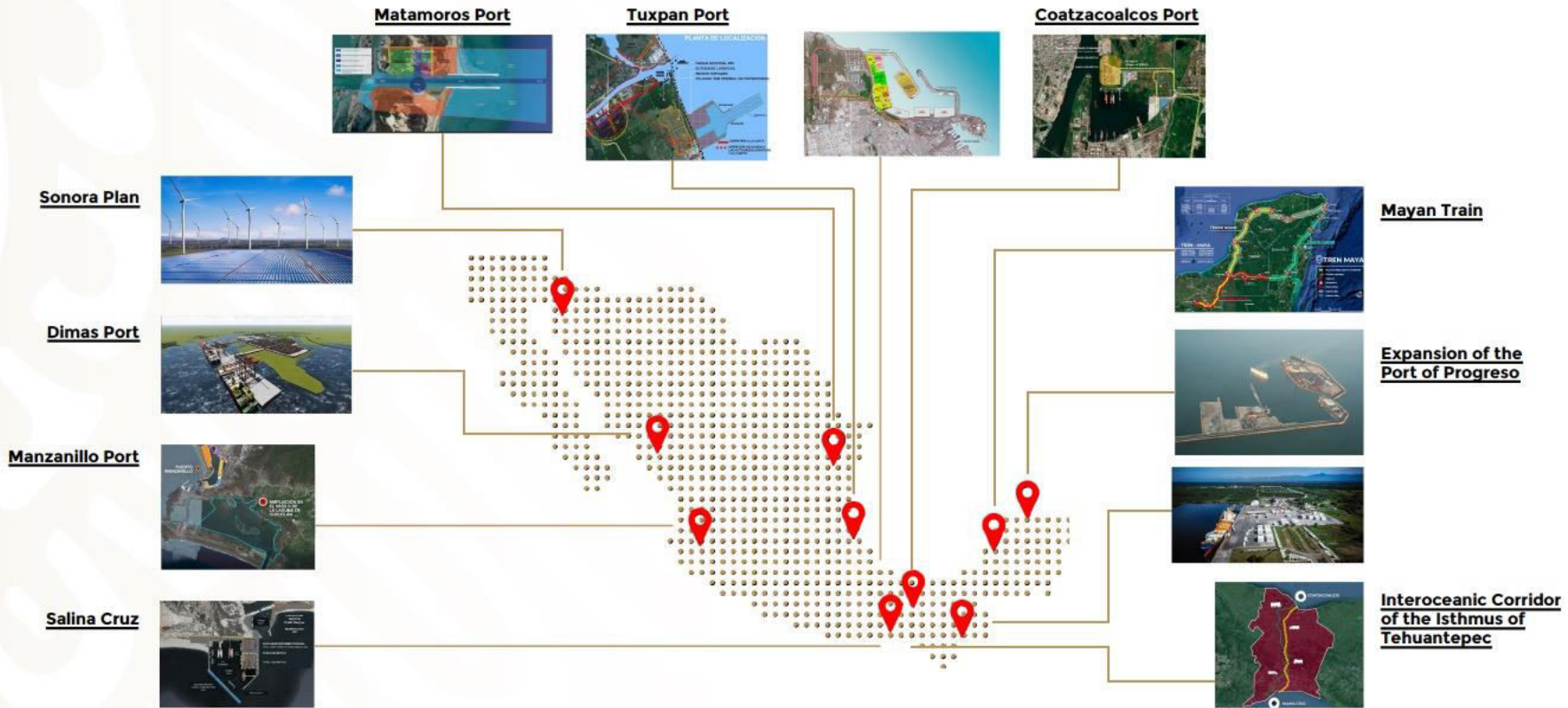
Domestic market and growing purchasing power



- The **e-Commerce industry** in Mexico continues to have significant economic growth, given the growing number of users who increasingly choose to make purchases through electronic channels.
- In 2022, Mexico managed to position itself again in 2nd place in Latin America, reaching a market value of USD\$27 billion. Likewise, it is in 5th place in countries with the highest growth.
- 1 in 7 middle class people in Latin America is Mexican. Purchasing power per capita continues to increase constantly, resulting in increased consumption of goods and services.
- Mexico is ranked 18th in the economic complexity index worldwide and 1st in Latin America. It occupies 55th place in the global innovation competitiveness index worldwide and 2nd in Latin America.

Infrastructure Development Projects

The Mexican government has invested in infrastructure megaprojects for improving transportation, energy, telecommunications networks and strategic sectors of Industry 4.0, which reduces operating costs and increases logistics efficiency.



Interoceanic Corridor of the Isthmus of Tehuantepec (CIIT by its Spanish acronym)

Estimated investment MXN: 100,000,000,000
 Estimated investment USD: 5,840,580,000

- The CIIT Program, seeks the welfare of the inhabitants of 79 municipalities of the Isthmus of Tehuantepec Region: 46 belonging to Oaxaca and 33 to Veracruz
- The CIIT is based on two important infrastructure projects:
 - **Logistics platform**, which will take advantage of the privileged geographic location for the inter-oceanic mobilization of goods that will position the region in the world market of multimodal transportation services and contribute to bring the local production of the Isthmus and the south-southeast of Mexico closer to national and world markets
 - **Industrial production ecosystem, made up of 10 Development Poles** that will have all the conditions to house industries, facilitate and encourage vocations as well as regional production chains

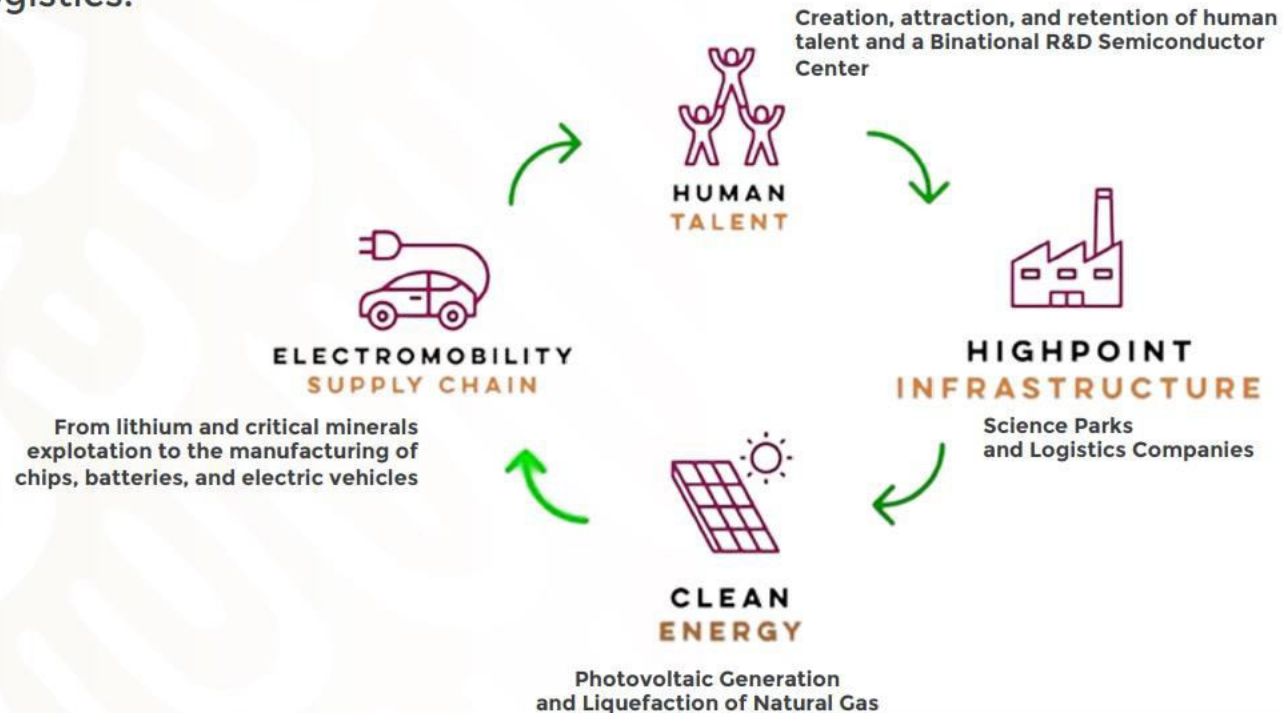


Sonora Plan

Estimated investment MXN: 2,860,800,000,000

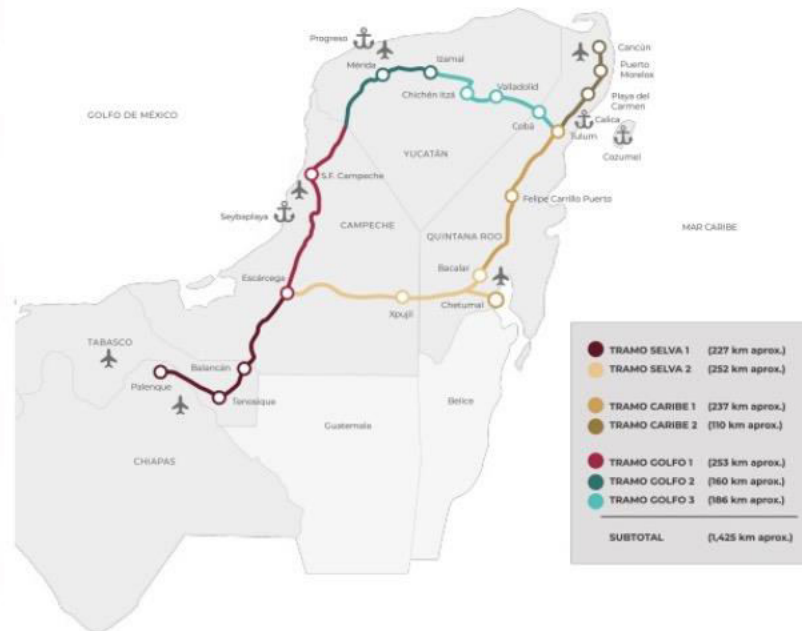
Estimated investment USD: 48,000,000,000

- The **Sonora Plan** is a government industrial initiative that seeks to attract **US \$48 billion dollars** to develop clean energy (particularly wind and solar) in Sonora, Mexico's second largest state
- The Plan aims to strengthen the state's supply chains and encourage lithium battery manufacturing, clean energy projects, boost electric vehicles, and improve cross-border connectivity and logistics.



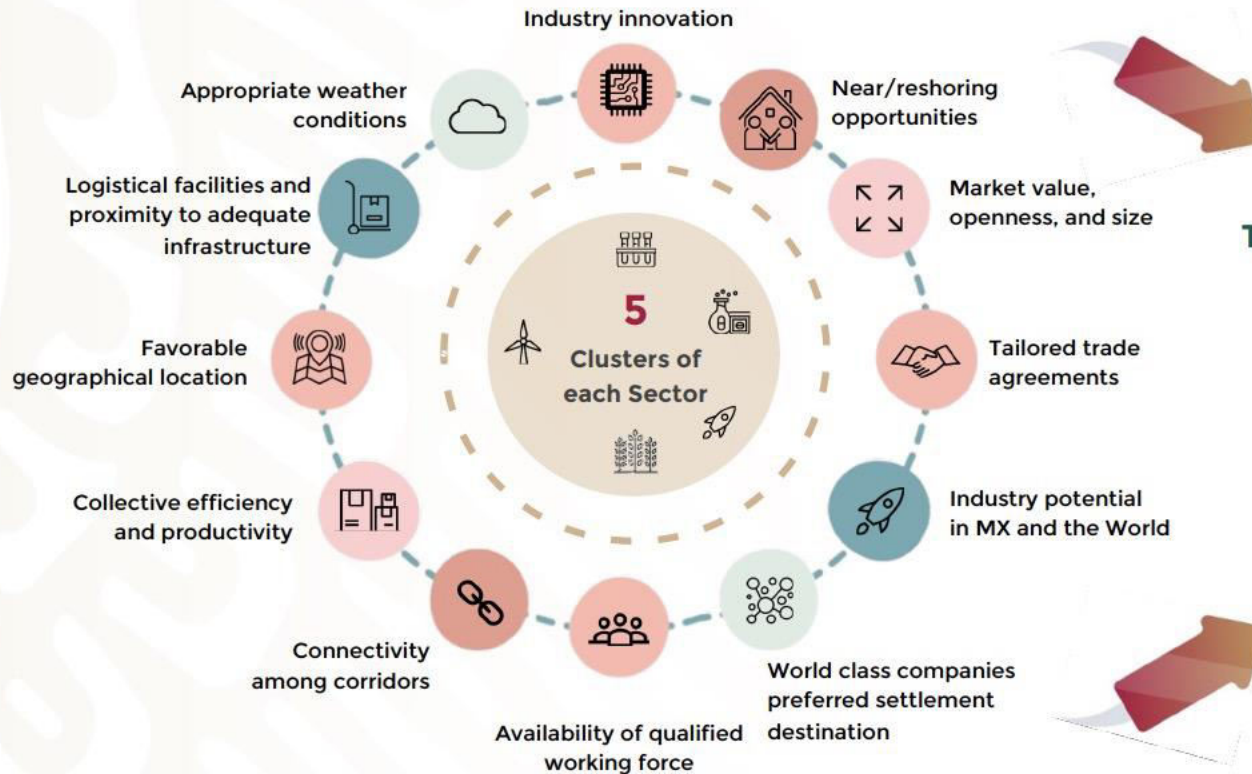
Mayan Train

- **The Mayan Train** is a project that will strengthen the territorial planning of the region and enhance its tourism industry. It will generate economic benefits and increase connectivity in the Yucatan Peninsula, allowing cargo and passengers to be moved efficiently. It is a historic milestone that will mark the beginning of a new era in the region's connectivity.
- 1,525 km of railway tracks will cross the states of Tabasco, Chiapas, Campeche, Yucatán and Quintana Roo, benefiting development in the region and the quality of life of the inhabitants.



The Prospective Atlas

Based on a strategic analysis that identifies sectors in which Mexico has great potential for future development, given the conditions in specific territories.



THE PROSPECTIVE ATLAS





¡Muchas gracias!

Terima Kasih!

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