

Mexican Automotive Industry: an Outlook towards 2020



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Automotive Sector Economic Relevance:

Top generator of foreign reserves. With a foreign trade surplus of 49.7 billion dollars in 2014

25% of manufacturing exports

Mexico has become the 7th largest manufacturer of vehicles, during 2014, and the 1st in Latin America

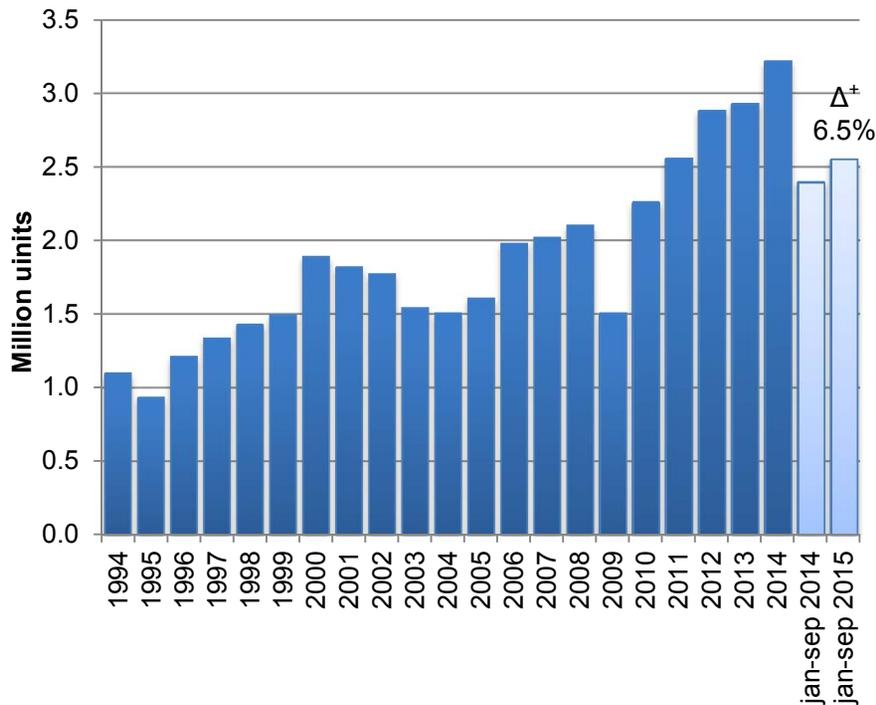
4th largest exporter in the world

5^h largest automotive parts exporter and first supplier for the United States

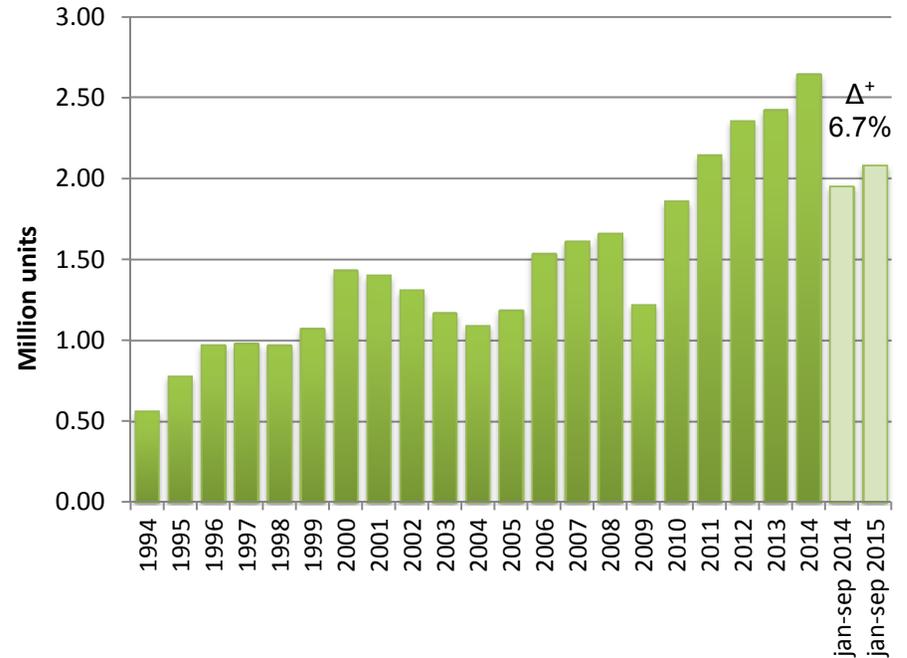
Production and Exports

- Contributed with 3.7% of total world production.
- More than 80% of total production is directed to foreign markets.

Light vehicle production



Light vehicle exports

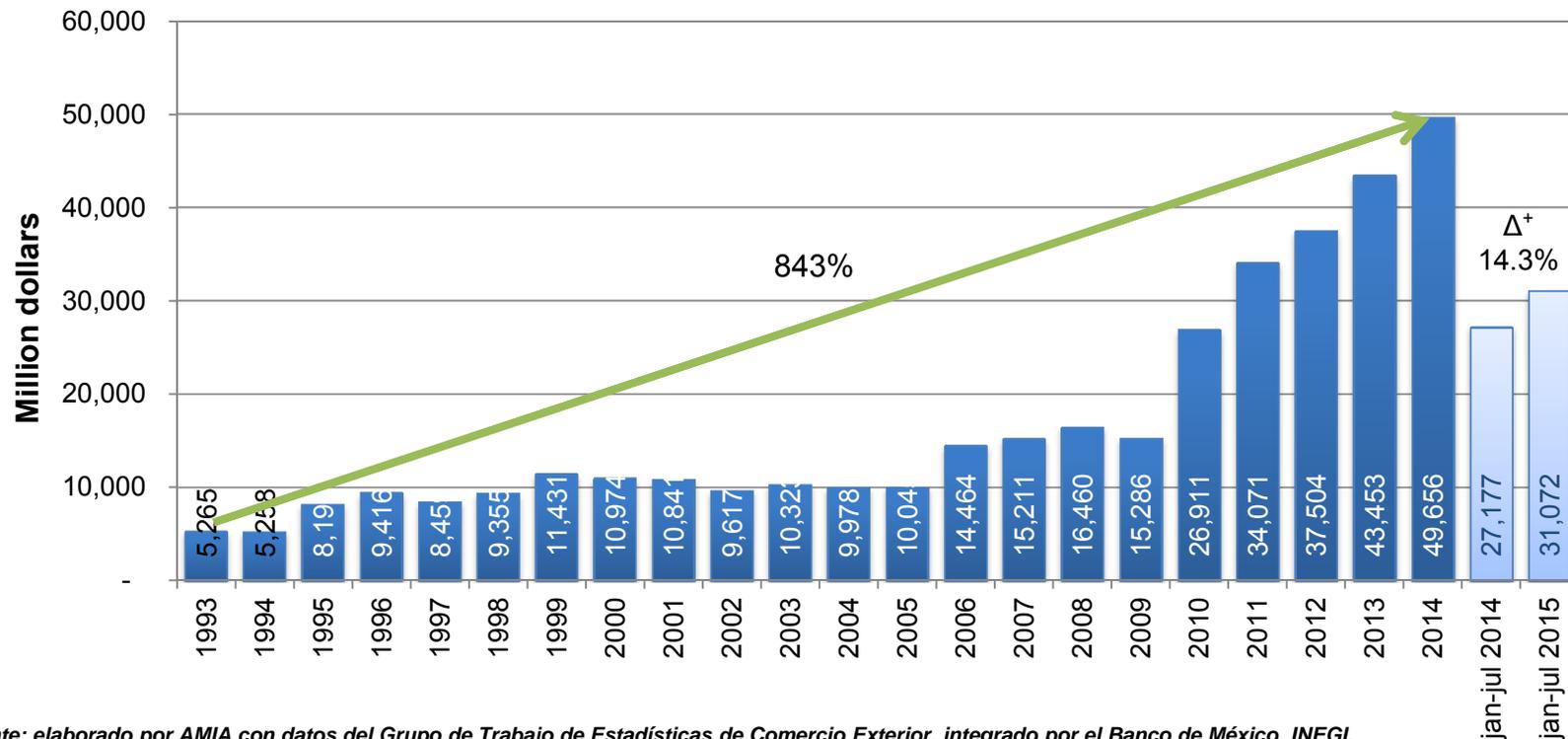


Source: AMIA.

Automotive trade surplus in Mexico

- In the first seven months of 2015, automotive trade surplus reached 31.1 billion dollars.

Automotive Trade*

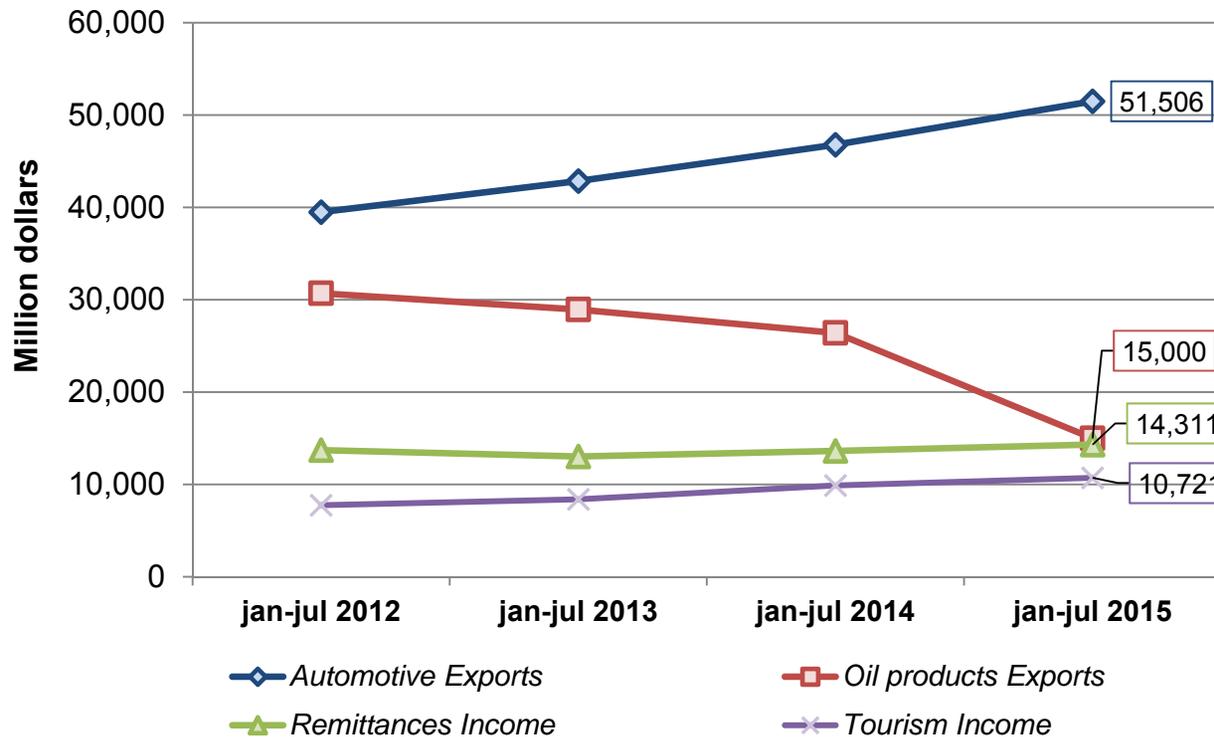


Fuente: elaborado por AMIA con datos del Grupo de Trabajo de Estadísticas de Comercio Exterior, integrado por el Banco de México, INEGI, Servicio de Administración Tributaria y la Secretaría de Economía.

* Automotriz incluye: 870120 - Tractores de carretera para semirremolques; 8702 - Vehículos automóviles para el transporte => 10 personas; 8703 - Automóviles tipo turismo; 8704 - Vehículos para transporte de mercancías; 8706 - Chasis con motor; 8707 - Carrocerías; 8708 - Partes y accesorios de vehículos; y 8711 - Motocicletas.

Automotive Industry* is a key foreign reserves generator in Mexico

Dollars income to Mexico

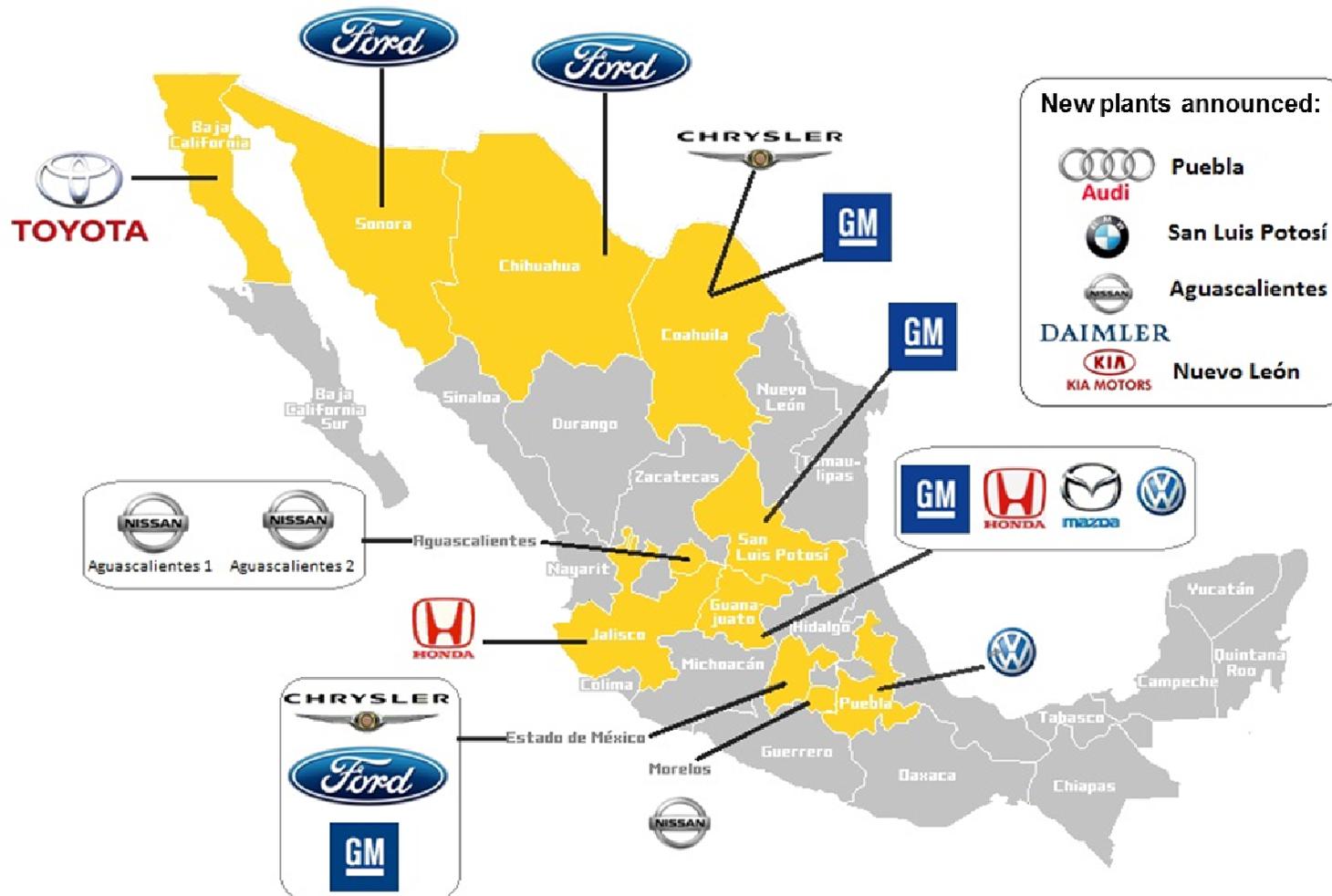


In the period January to July, automotive exports were 3.4 times oil products exports, 3.6 times remittances income and 4.8 times tourism income.

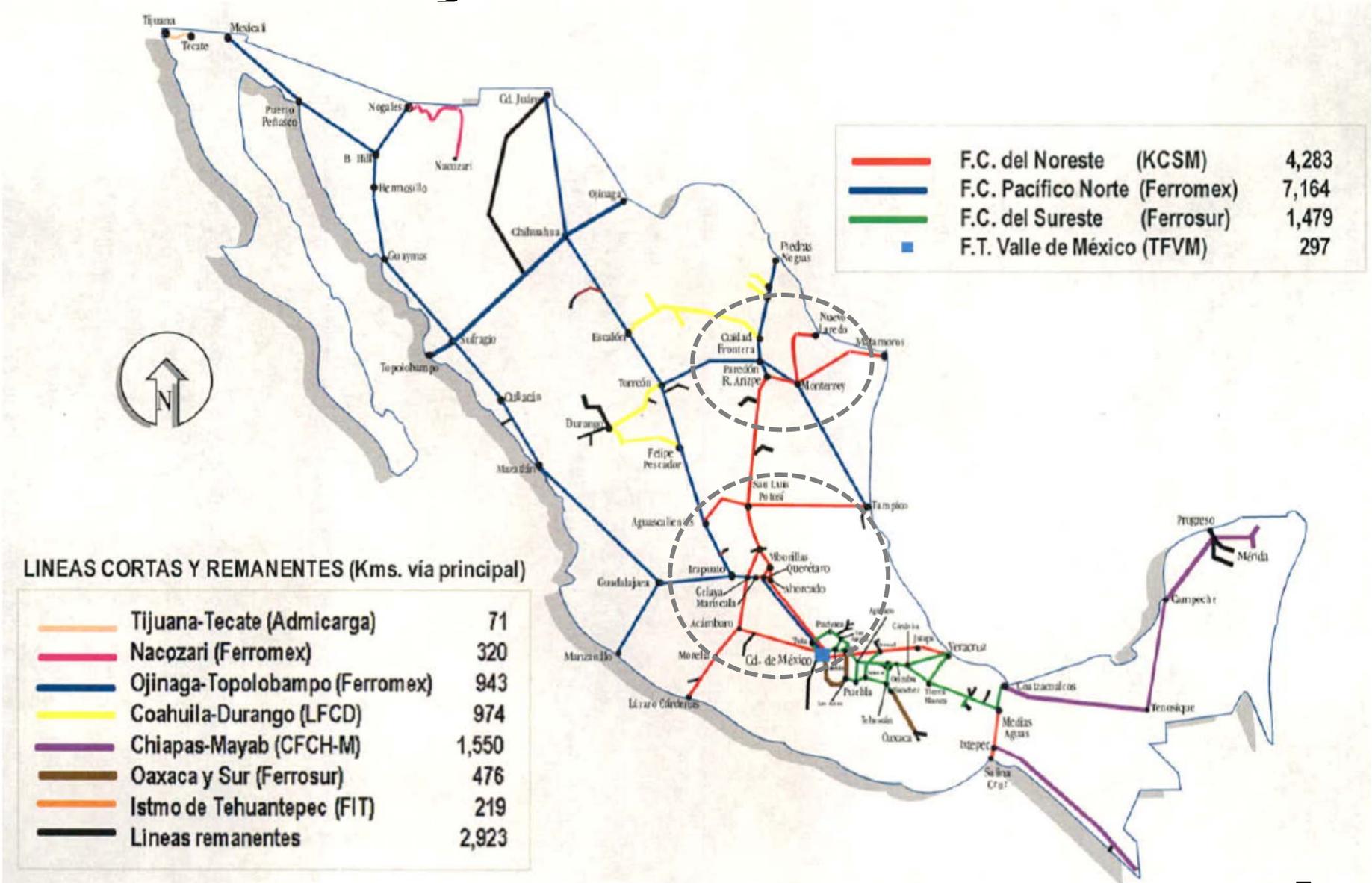
Fuente: elaborado por AMIA, con datos de INEGI - Grupo de Trabajo de Estadísticas de Comercio Exterior, integrado por el Banco de México, INEGI, Servicio de Administración Tributaria y la Secretaría de Economía.

* Se considera Industria Automotriz: 87.01.20 Tractores de carretera para semirremolques; 87.02 Vehículos automóviles para el transporte => 10 personas; 87.03 Automóviles tipo turismo; 87.04 Vehículos para transporte de mercancías; 87.05 Automóviles para usos especiales; 87.06 Chasis con motor; 87.07 Carrocerías ; 87.08 Partes y accesorios de vehículos; 87.11 Motocicletas

Light vehicles and engines production in Mexico

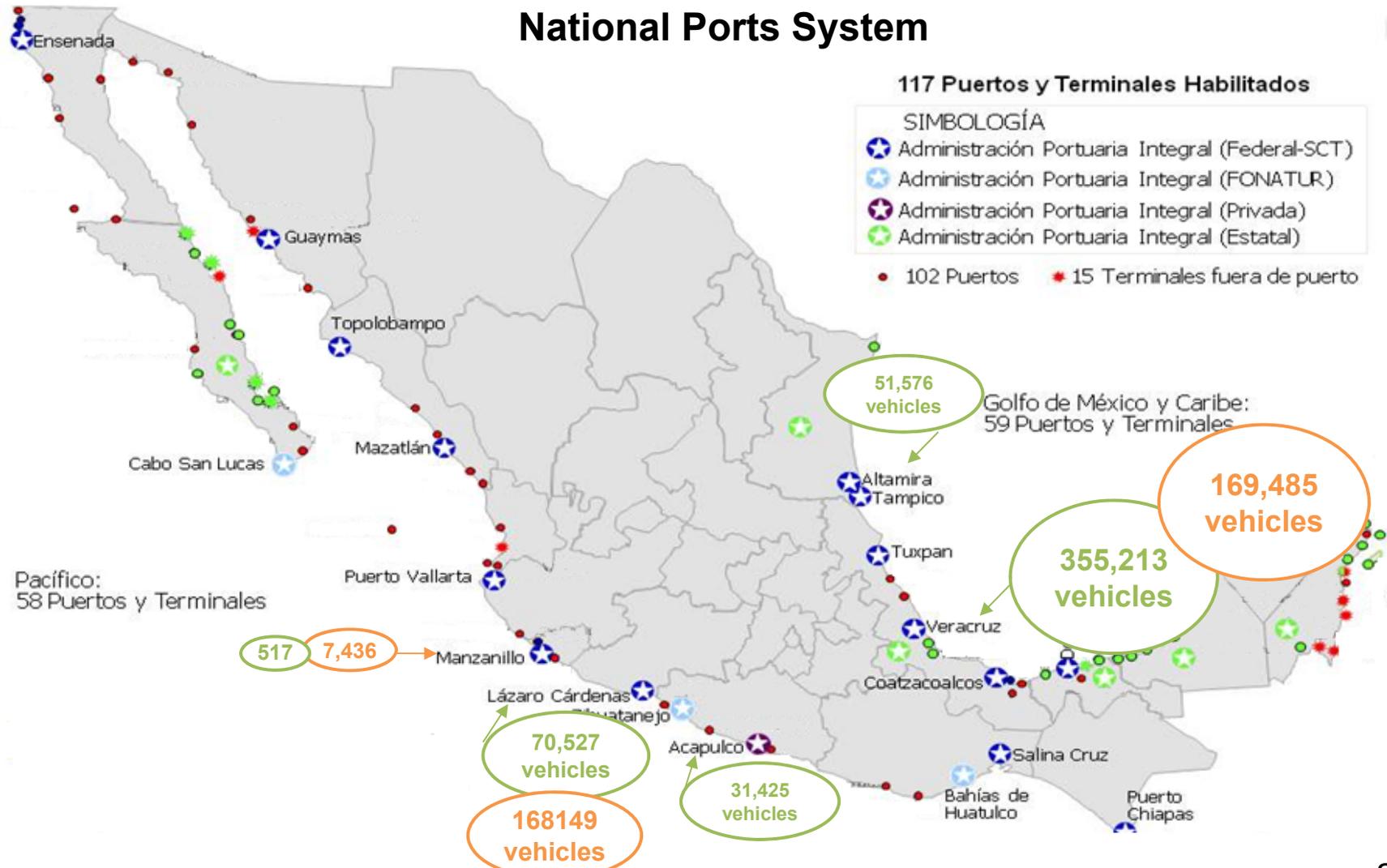


Railway System

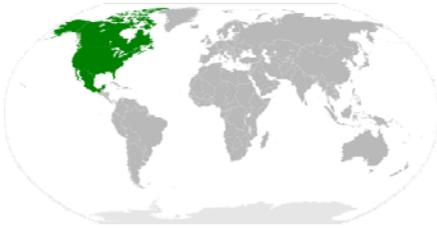


Source: Secretaría de Comunicaciones y Transportes.

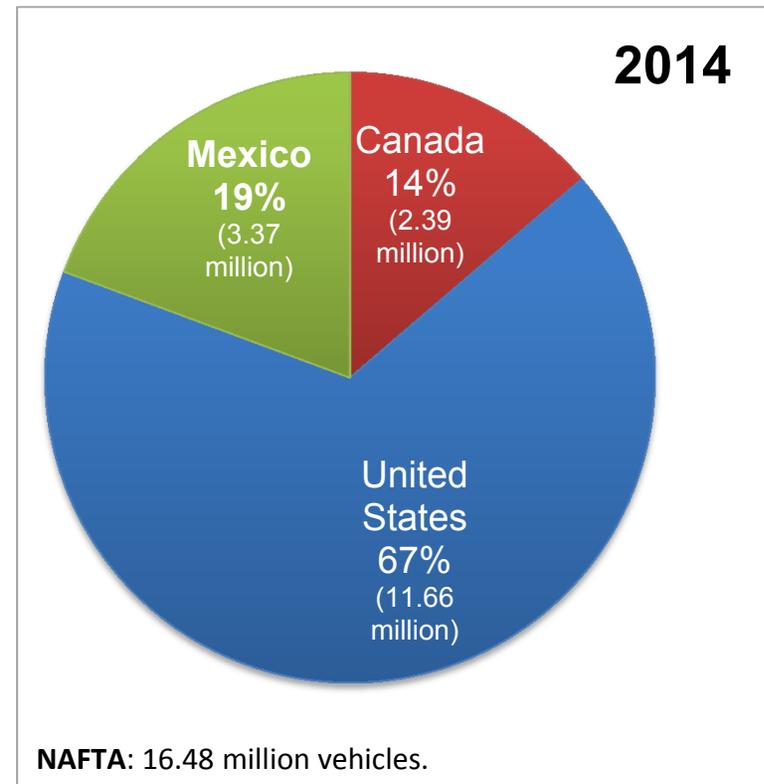
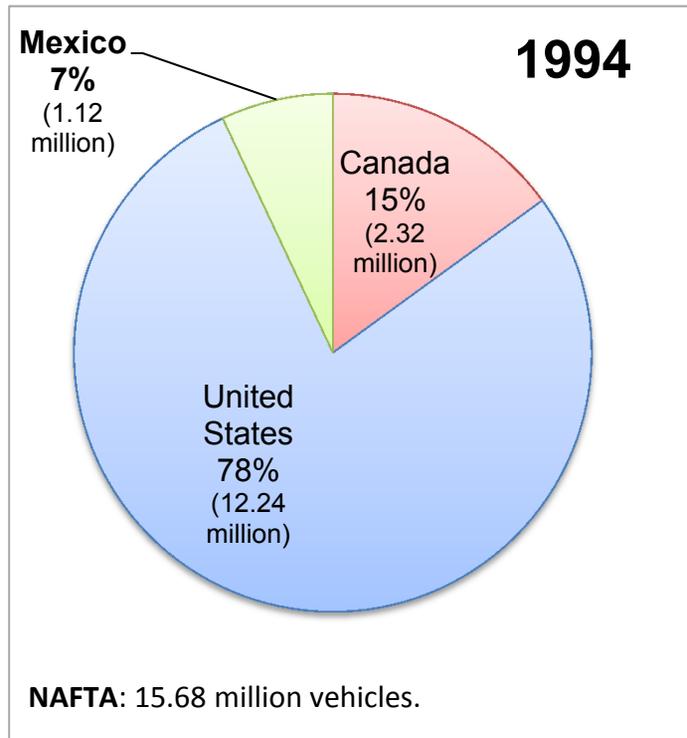
Vehicles trade through maritime ports (January-August 2015)



Source: Secretaría de Comunicaciones y Transportes.



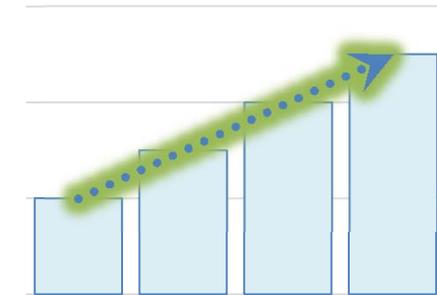
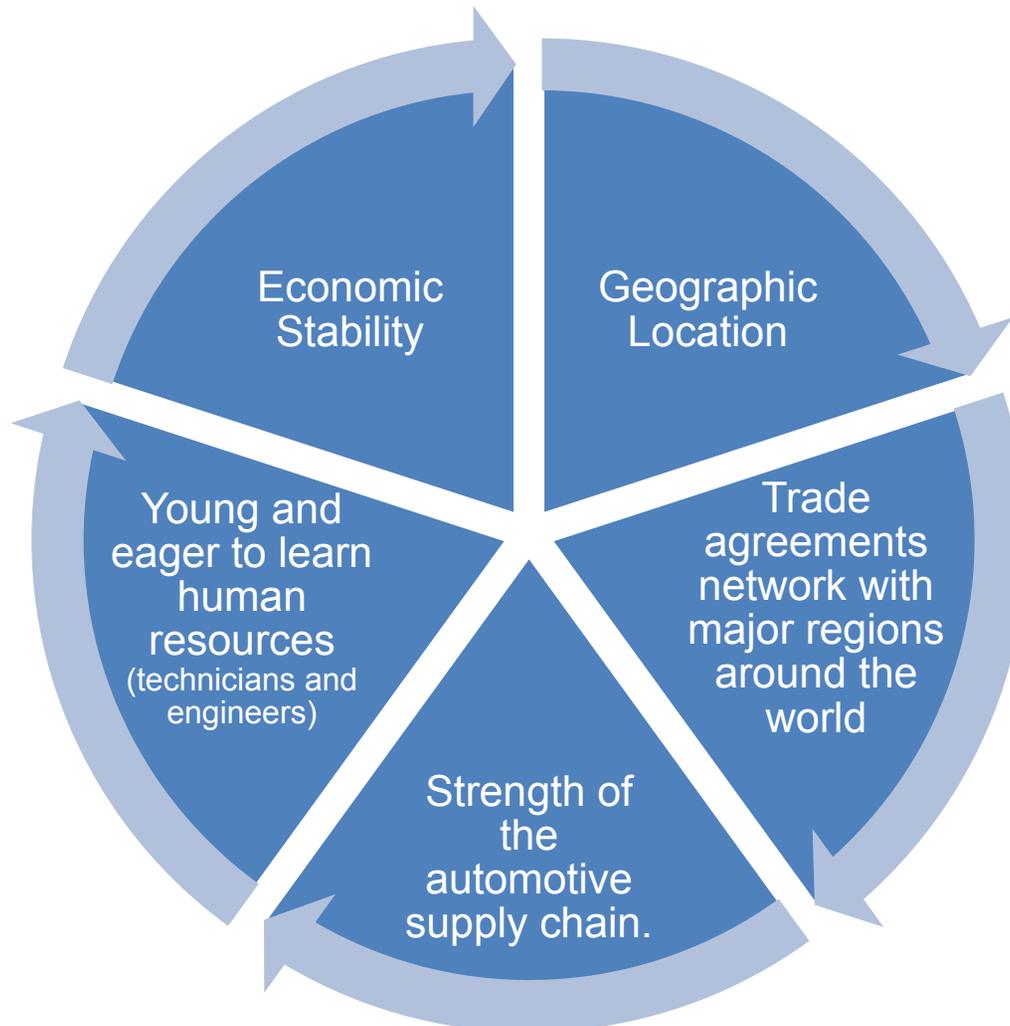
NAFTA Vehicle Production



- From 1994 to 2014 production vehicle of NAFTA region increased 11.1%.

Why do OEM's decide to invest in Mexico?

5 major elements that make Mexico attractive for new investments



...and very important: the Government is a major partner to help land investments.

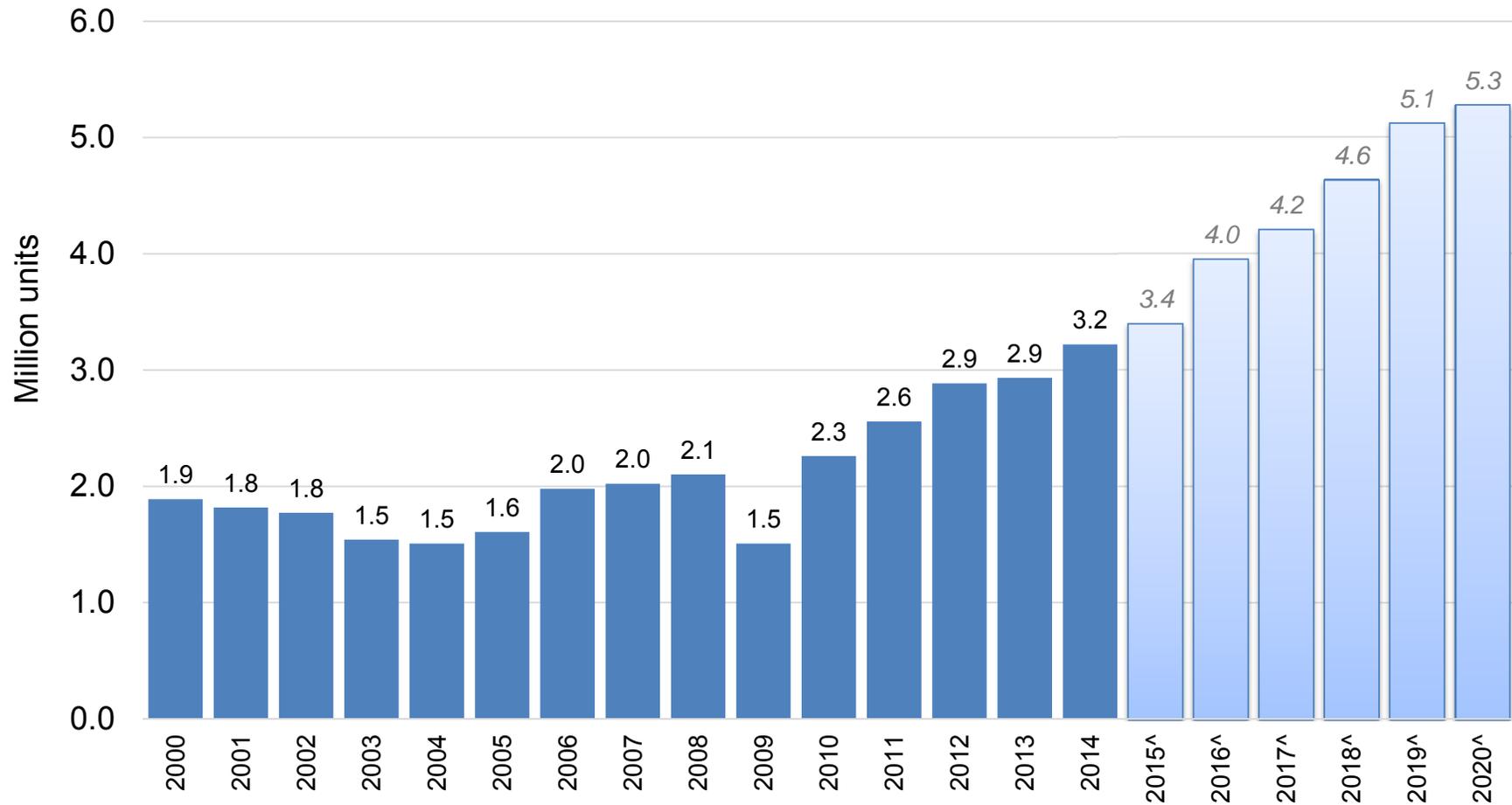
Announced investments

ANNOUNCEMENT	COMPANY	ANNOUNCED INVESTMENTS	DESTINADO A
2012	AUDI	1,300 mdd	Assembly plant – Puebla
2014	NISSAN-DAIMLER	1,360 mdd	Assembly plant – Aguascalientes
2014	BMW	1,000 mdd	Assembly plant – San Luis Potosí
2014	KIA MOTORS	1,000 mdd	Assembly plant – Nuevo León
2014	GM	5,000 mdd	Expansion
2015	VW	1,000 mdd	Expansion
2015	TOYOTA	1,000 mdd	Assembly plant – Guanajuato
2015	FORD	1,100 mdd	Engines assembly plant – Chihuahua
		200 mdd	Expansion
		1,200 mdd	Transmissions assembly plant– Guanajuato

Source: recopilación de publicaciones periódicas, boletines de prensa de las empresas y boletines de la Secretaría de Economía..

According to the Ministry of Economy, the Automotive industry attracted **39,319.3 million dollars** during 1999 – II 2015 of Foreign Direct Investment, the industry represented **9.7% of total FDI in Mexico.**

Light vehicles production and forecast 2020



Fuente: 2000 a 2014 registro de AMIA. 2015^ a 2020^ corresponde a estimación de la asociación suponiendo una tasa de crecimiento del 3% y con base en los anuncios publicados.

Hard data of last 20 years in North America:

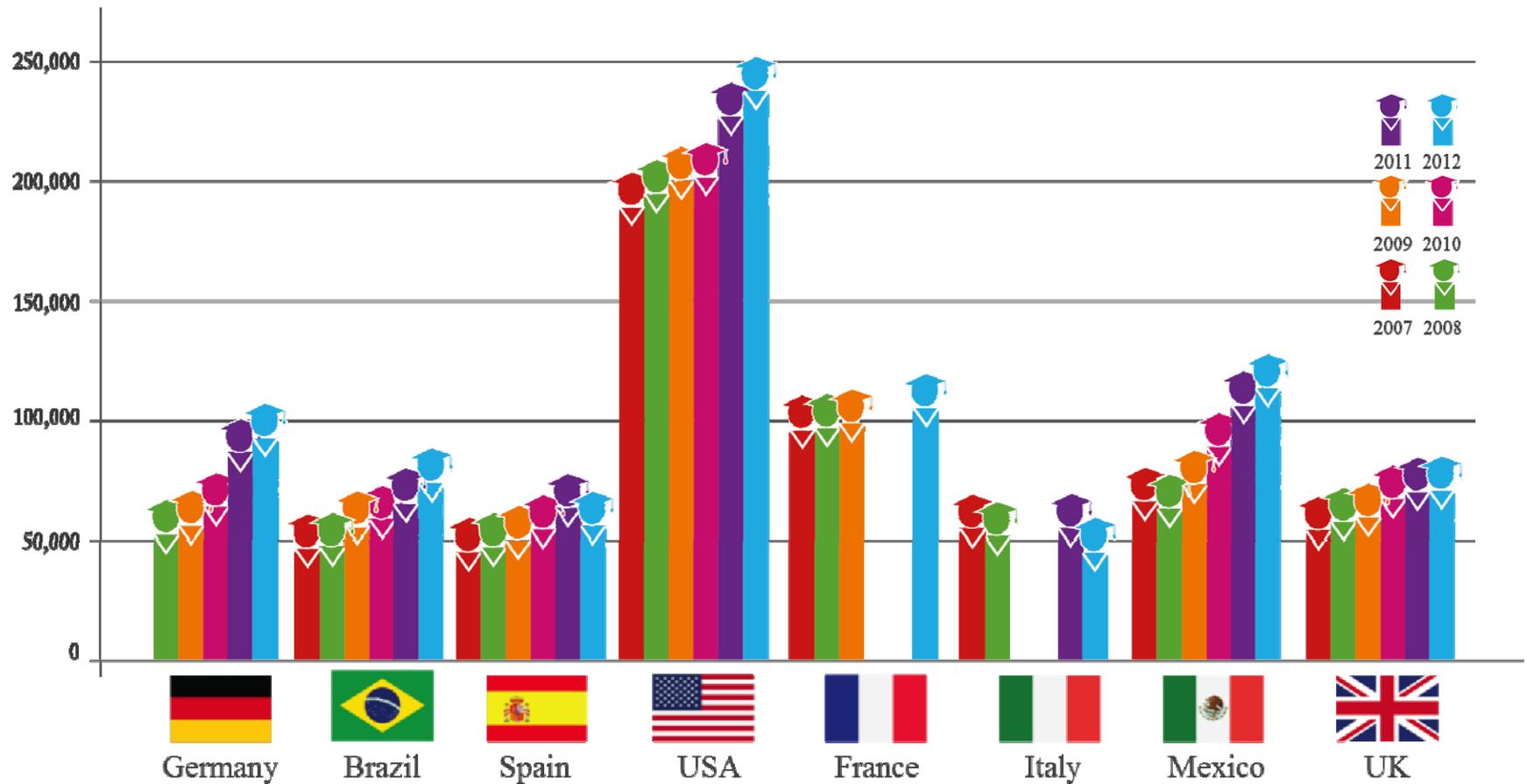
- Mexico increased 12% its North American production share during the last 20 years.
- United States and Canada decreased 11% and 1%, during this period.

... 2020

- Considering new investments, our forecast is that Mexico will be producing more than 5 million vehicles in 2020.
- 27% of NAFTA production, if United States and Canada maintain the same production level of 2014.

Human resources and investigation

Total graduates in the areas of engineering, manufacturing and construction



Fuente: PROMEXICO with information from UNESCO.

Automotive Industry Group of Universities and Research Centers

1. Human resources
2. Linkage programs
3. Infrastructure
4. Collaborative projects
5. Government incentives
6. Legislative agenda

¡ THANK YOU !

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Asociación Mexicana de la
Industria Automotriz ac