

DOING BUSINESS WITH MEXICO



GOBIERNO DE
MÉXICO

RELACIONES EXTERIORES

SECRETARÍA DE RELACIONES EXTERIORES

MEXICO IN THE WORLD

Geographic area (Million Km2)

1) Russia	17	8) Argentina	2.7
2) Canada	9.9	9) Kazakhstan	2.7
3) China	9.7	10) Algeria	2.3
4) United States	9.3	11) DR Congo	2.3
5) Brazil	8.5	12) Saudi Arabia	2.1
6) Australia	7.6	13) Mexico	1.9
7) India	3.2		

Population (Millions)

1) India	1,428	6) Nigeria	223
2) China	1,425	7) Brazil	216
3) United States	339	8) Bangladesh	172
4) Indonesia	277	9) Russia	144
5) Pakistan	240	10) Mexico	128

GDP 2022 (Trillion Dls)

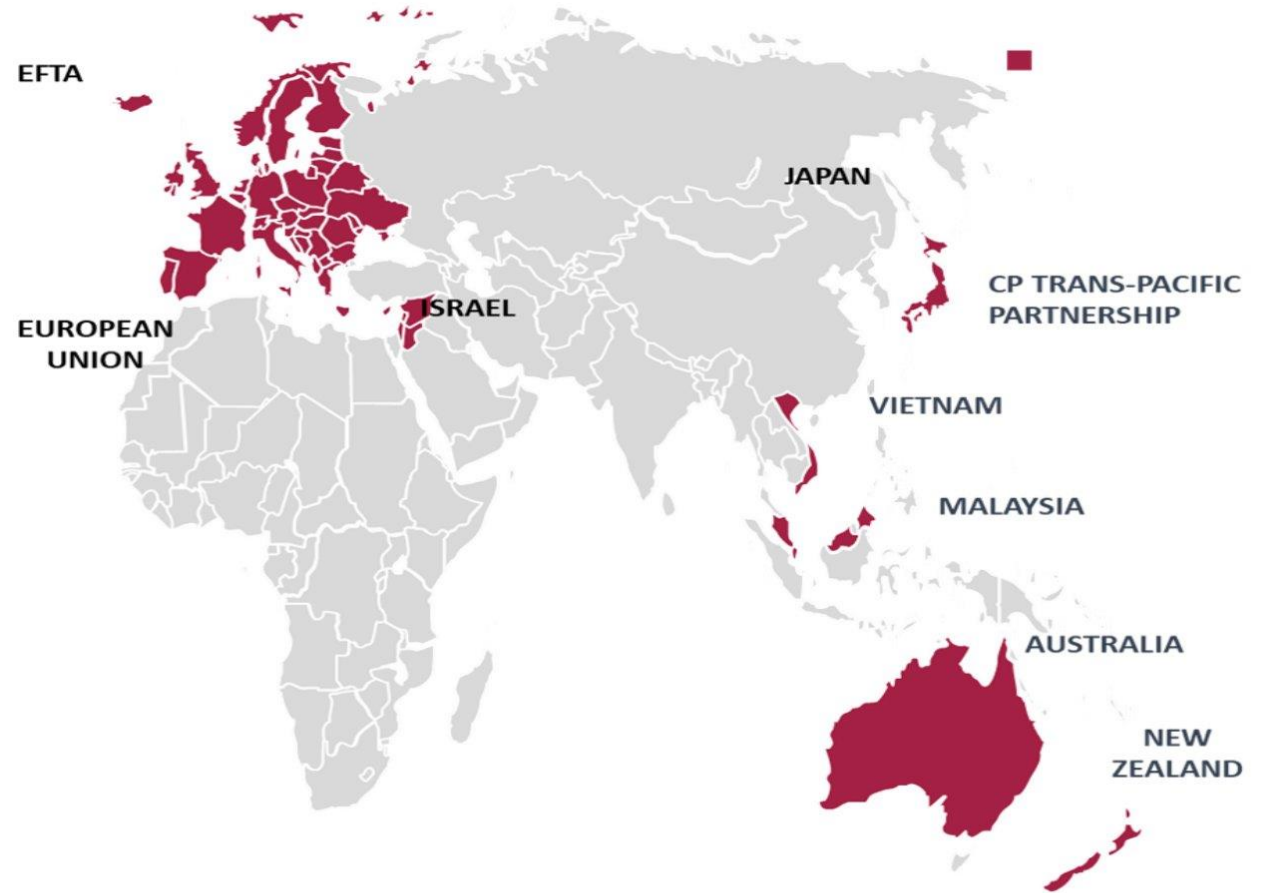
1) United States	25.4
2) China	17.9
3) Japan	4.2
4) Germany	4.0
5) India	3.3
6) United Kingdom	3.0
7) France	2.7
8) Russia	2.2
9) Canada	2.1
10) Italy	2.0
11) Brazil	1.9
12) Australia	1.6
13) South Korea	1.6
14) Mexico	1.4

GDP per capita (IMF 2023)

1) Luxembourg	135,165
2) Ireland	112,248
3) Switzerland	102,865
4) Norway	99,266
5) Singapore	87,684
6) Qatar	81,968
7) United States	80,412
27) Cyprus	34,791
44) Greece	23,173
64) Mexico	13,804

Mexico's International Trade

Mexico has 14 Free Trade Agreements with 50 countries, collectively representing two thirds of global GDP and providing access to over a billion consumers.



Mexico is the largest exporter in Latin America and 12th worldwide

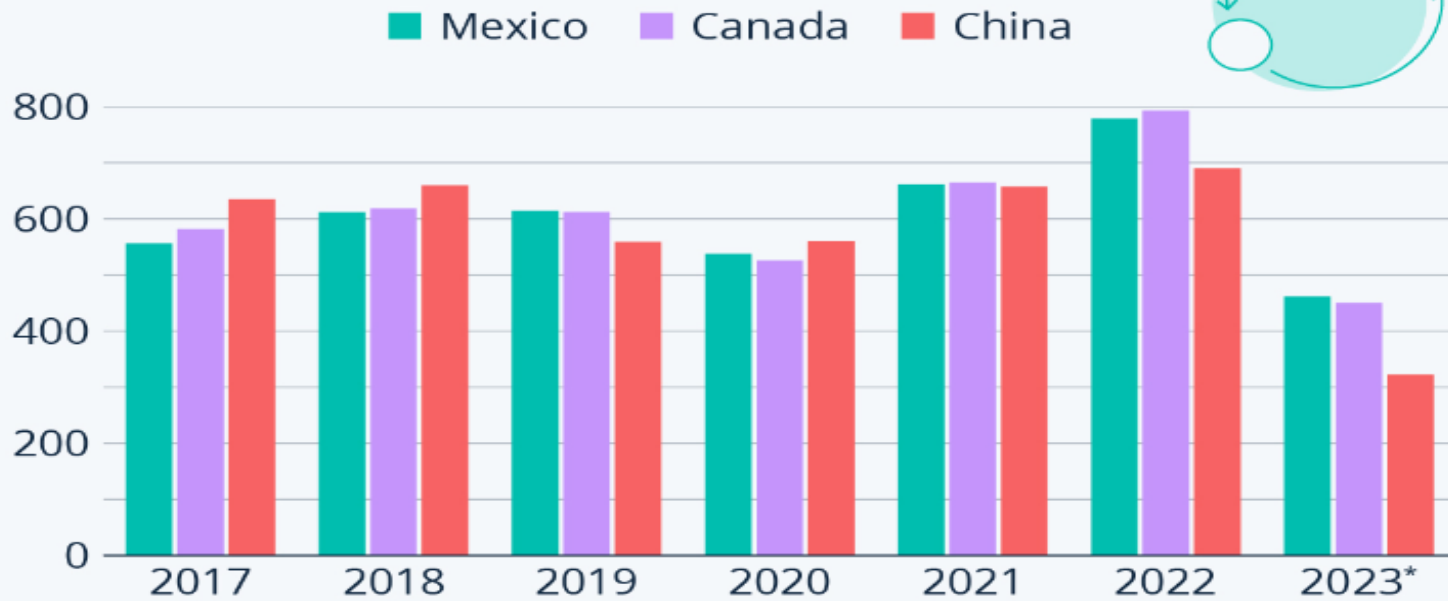


Acuerdo Carlos Salinas, George W. Bush, Brian Mulroney (de pie), Jaime Serra, Carla Hills y Michael Wilson durante la firma del TLCAN el 17 de diciembre de 1992. (Foto: BOB DAEMMRICH/AFP/AFP)



Mexico Biggest U.S. Trading Partner in 2023 To-Date

Volume of trade with the biggest trading partners of the U.S. (in billion U.S. dollars)



* As of July
Goods imports plus goods exports
Source: Census Bureau



MEXICO KEY DATA



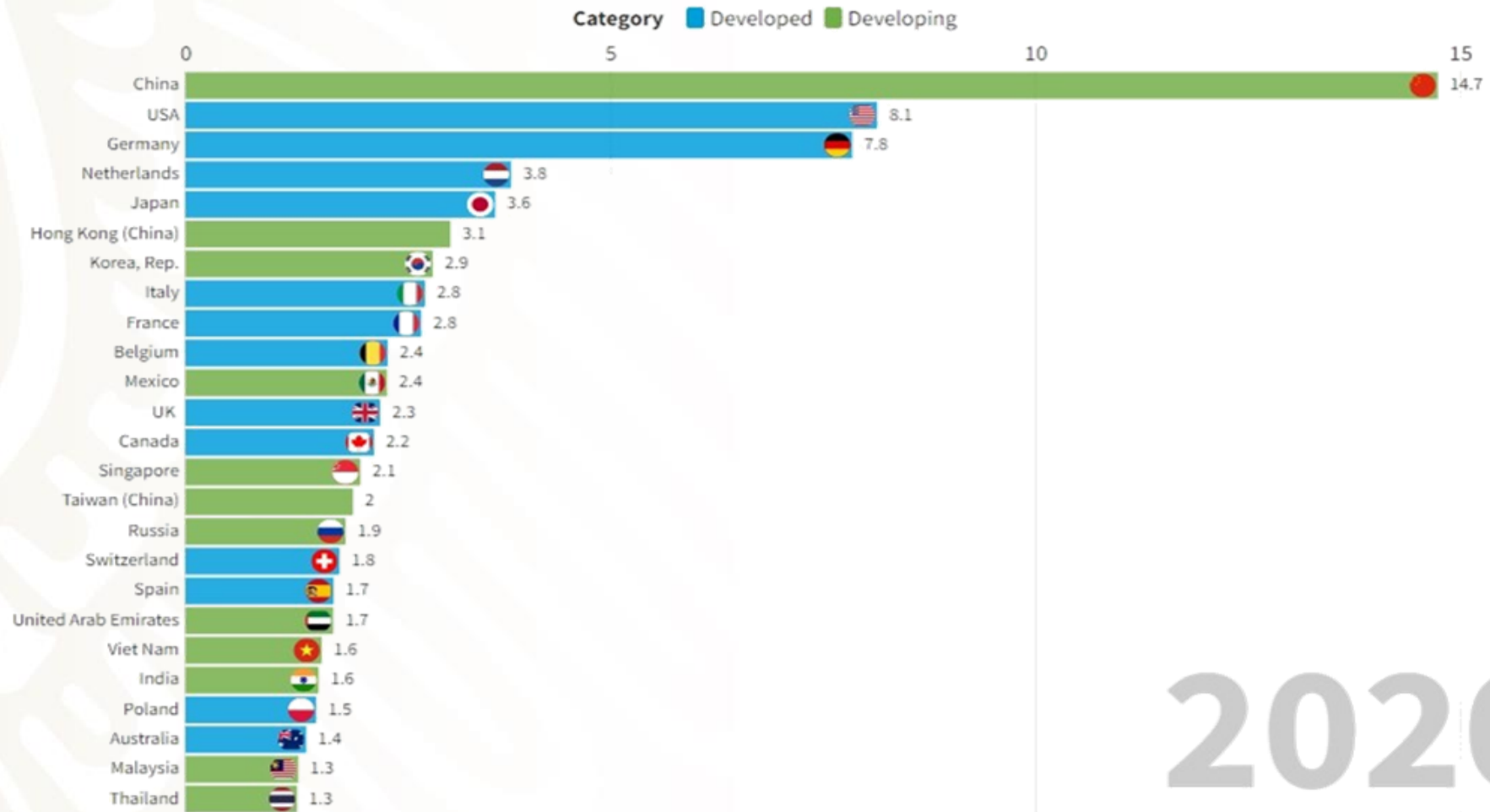
Population	130 million
GDP 2022¹ World ranking	1.47 trillion USD 14
GDP share of the World (2024)²	1.85 %
Ease of Doing Business Report (World Bank) (190 countries)³ New Zealand appears as number 1.	60
Economic Complexity Index 2022 (133 countries)⁴ Japan appears as number 1.	25
Global Competitiveness Index 2019 (141 countries)⁵ Singapore appears as number 1	48
Gross Public Debt to GDP ratio 2024⁶	55.64%
Foreign Direct Investments, net inflows⁷ 2022	35 billion USD
Total exports 2022⁸ World ranking	578 billion USD 10
Total imports 2022⁹ World ranking	626 billion USD 13
Share of global exports of goods (2020)¹⁰	2.4%

¹ World Bank <https://databank.worldbank.org/data/economic/GDP.pdf>
² IMF <https://www.imf.org/en/Countries/MEX> <https://www.imf.org/en/Countries/GRC>
³ Doing Business 2020, World Bank Group <https://openknowledge.worldbank.org/handle/10985/34899?loc=4422>
⁴ Measure relative knowledge intensity of an economy. Source: The Observatory of Economic Complexity (OEC) - MIT Media Lab, Massachusetts Institute of Technology (MIT) <https://ecp.mit.edu>
⁵ World Economic Forum Report 2019
⁶ IMF <https://www.imf.org/en/Countries/MEX> <https://www.imf.org/en/Countries/GRC>
⁷ IMF <https://www.imf.org/en/Topics/external-accounts/world-investment-report-2022/investing-in-global-investment-trends-and-perspectives/998-flow>
⁸ UNCTAD <https://unctad.org/topic/trade-analysis/chart> 10-may-2023
⁹ OECD <https://data.oecd.org/trade/intra-trade.htm>
¹⁰ UNCTAD <https://unctad.org/topic/trade-analysis/chart> 10-may-2023



EVOLUTION OF THE WORLD'S 25 TOP TRADING NATIONS (UNCTAD)

Share of global exports of goods (%), 1978-2020



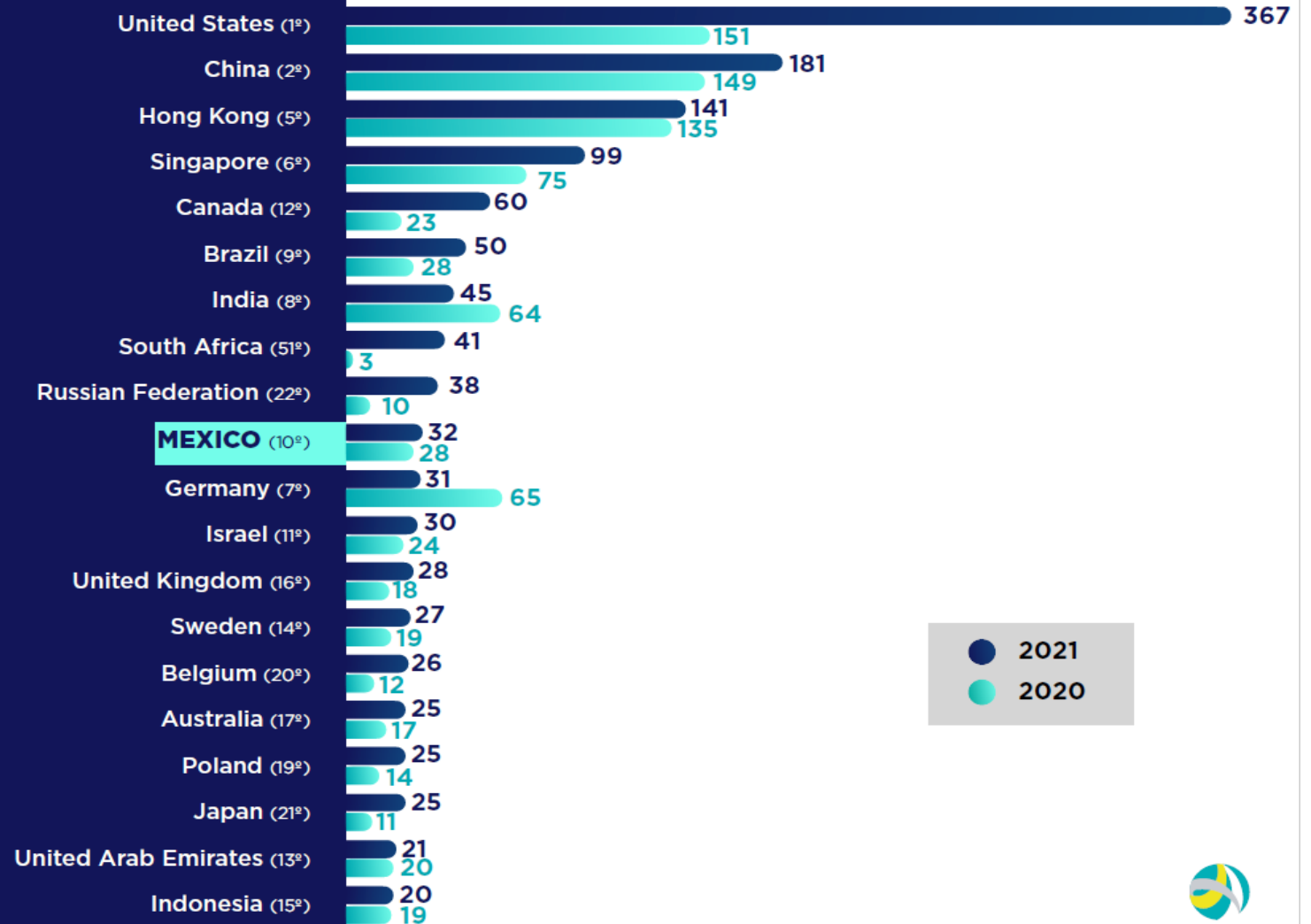
2020

Mexico in among the top 10 most attractive countries for FDI

(Billion USD)

Competitive costs and market access are some of the main reasons why Mexico is an attractive *nearshoring* destination for global companies looking for new expansions.

Source: World Investment Report 2022



(x) = 2020 ranking





Aerospace

...has access to a potential high-tech **export** market, as a member of the Wassenaar Agreement.



Automotive

...is the **7th** largest vehicle producer worldwide and **4th** largest exporter globally.



Medical Devices

...is the main **exporter** of devices that use alpha, beta or gamma radiation in Latin America.



Pharmaceutical

...is the **2nd** largest pharmaceutical market in Latin America and the **12th** in the world.



Electronic

...is the **8th largest** producer of electronics in the world.



Processed Food

...is home to 9 of the 10 food industry global companies with the **highest revenue**.



Renewable Energy

...has more than **270** power plants for the generation of electric power through renewable sources



Telecommunication

...is the **2nd** country in Latin America with the **fastest** internet speed.

Mexico is leader in key sectors



Construction

...is one of the **largest cement** producer in Latin America.



Metal Mechanic

...is among the **10** main **exporters** of machinery and mechanical devices.



Furniture

...is the **2nd largest** furniture supplier of the United States.



Biotechnology

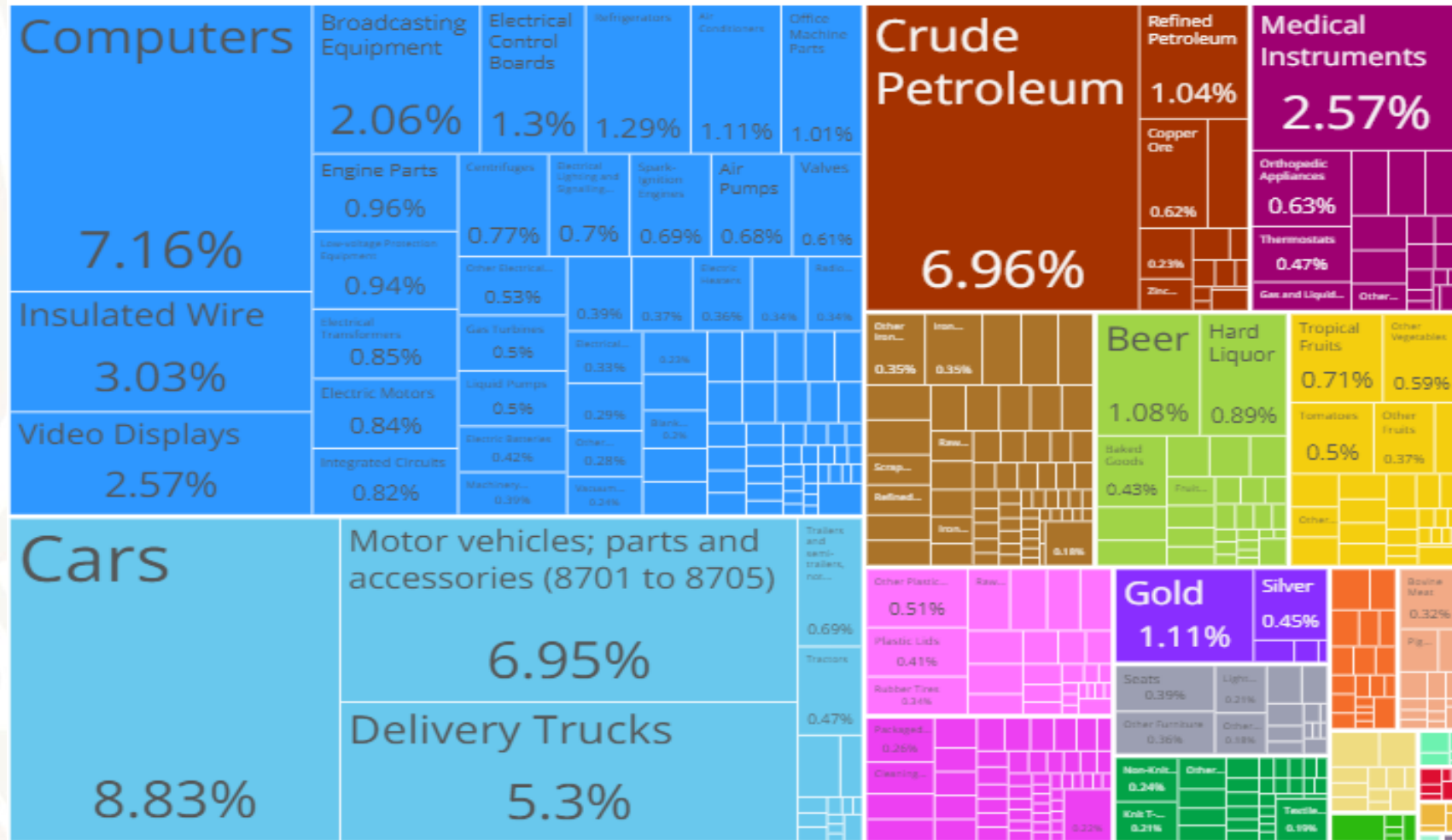
...is the **2nd** country in Latin America with the **highest** number of patent applications.





MEXICAN EXPORTS 2022

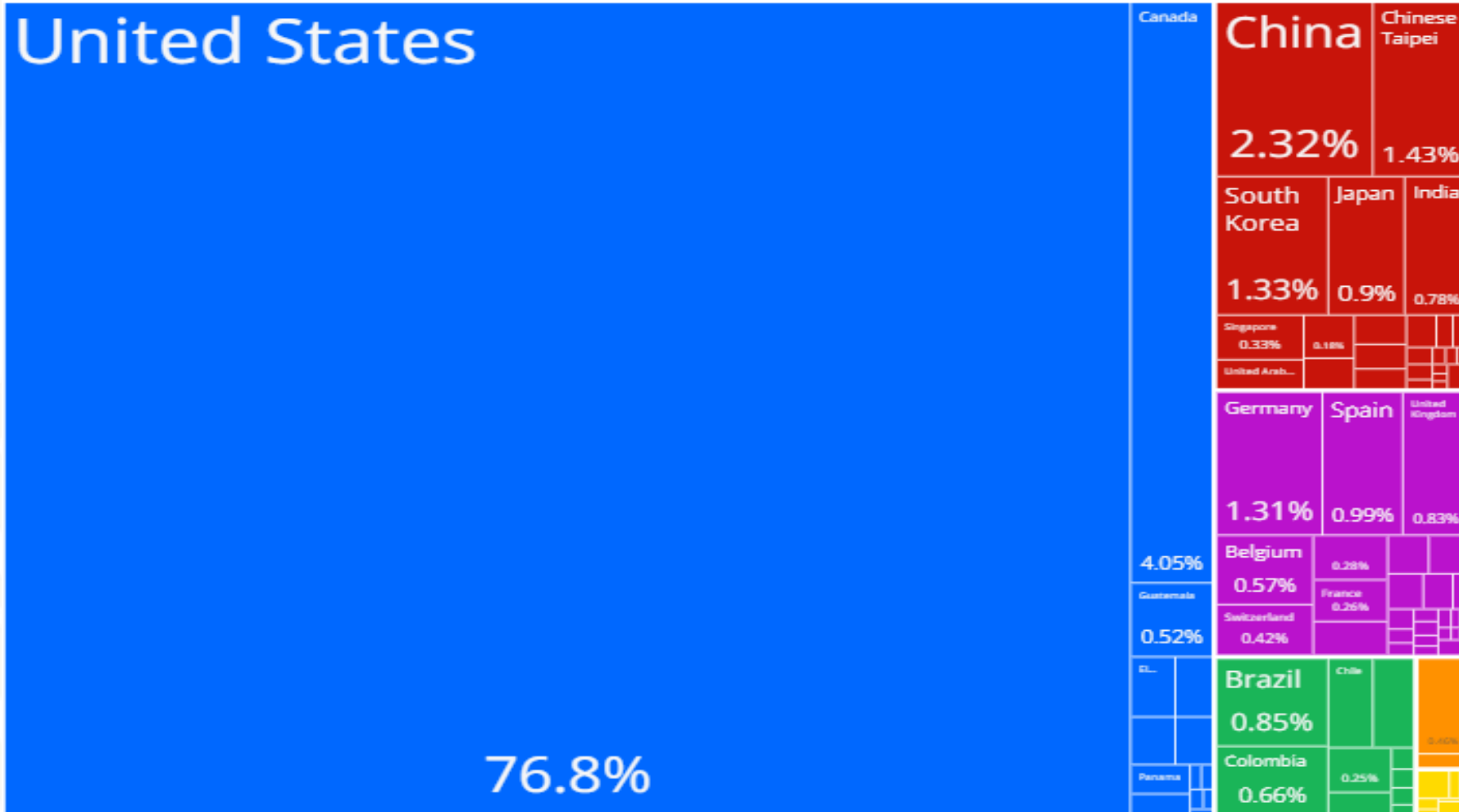
Total: \$549B





MEXICAN EXPORT DESTINATION 2022

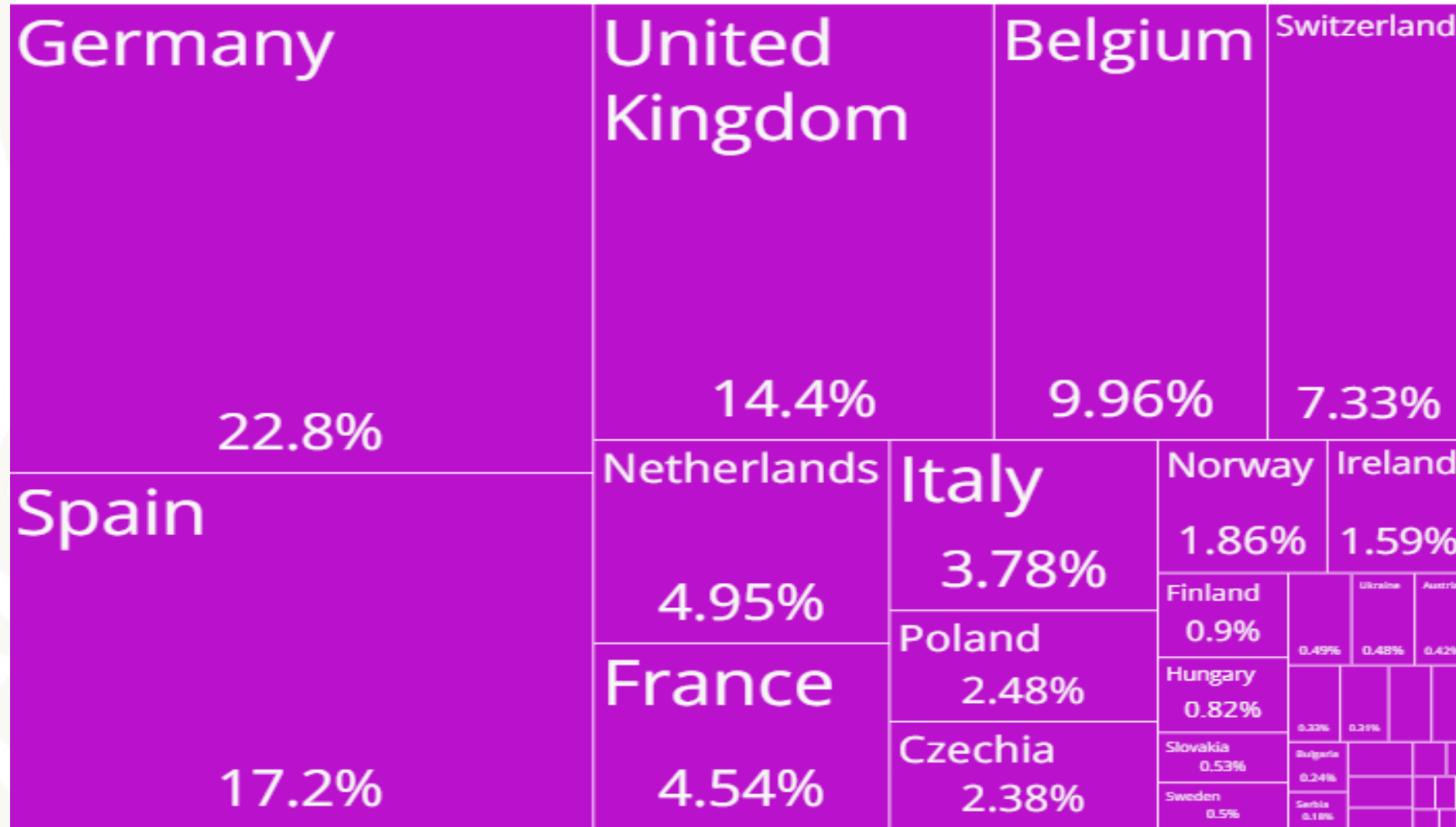
Total: \$549B





MEXICAN EXPORTS TO EUROPE 2022

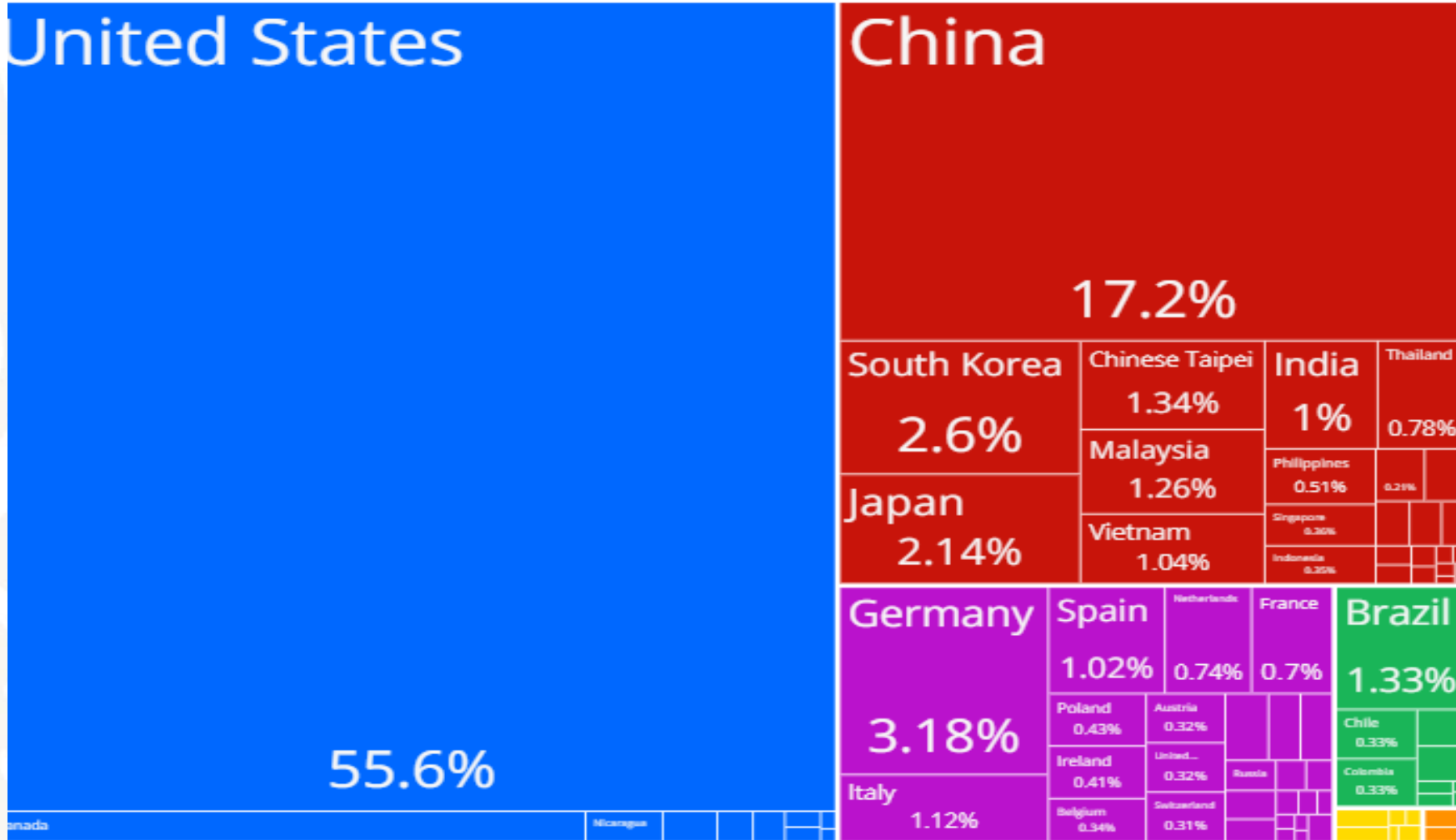
Total: \$31.4B





ORIGIN OF MEXICAN IMPORTS 2022

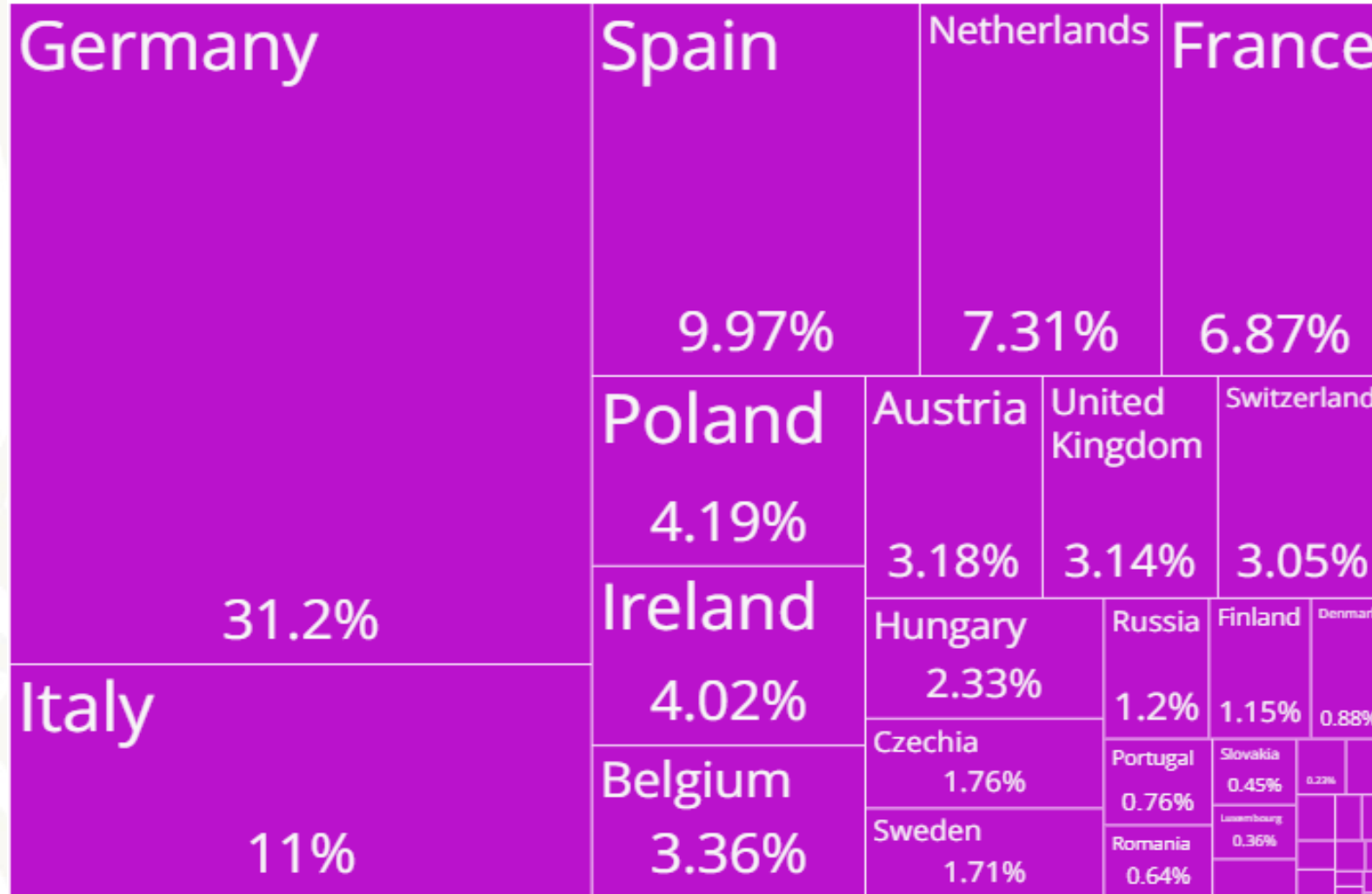
Total: \$530B





MEXICAN IMPORTS FROM EUROPE 2022

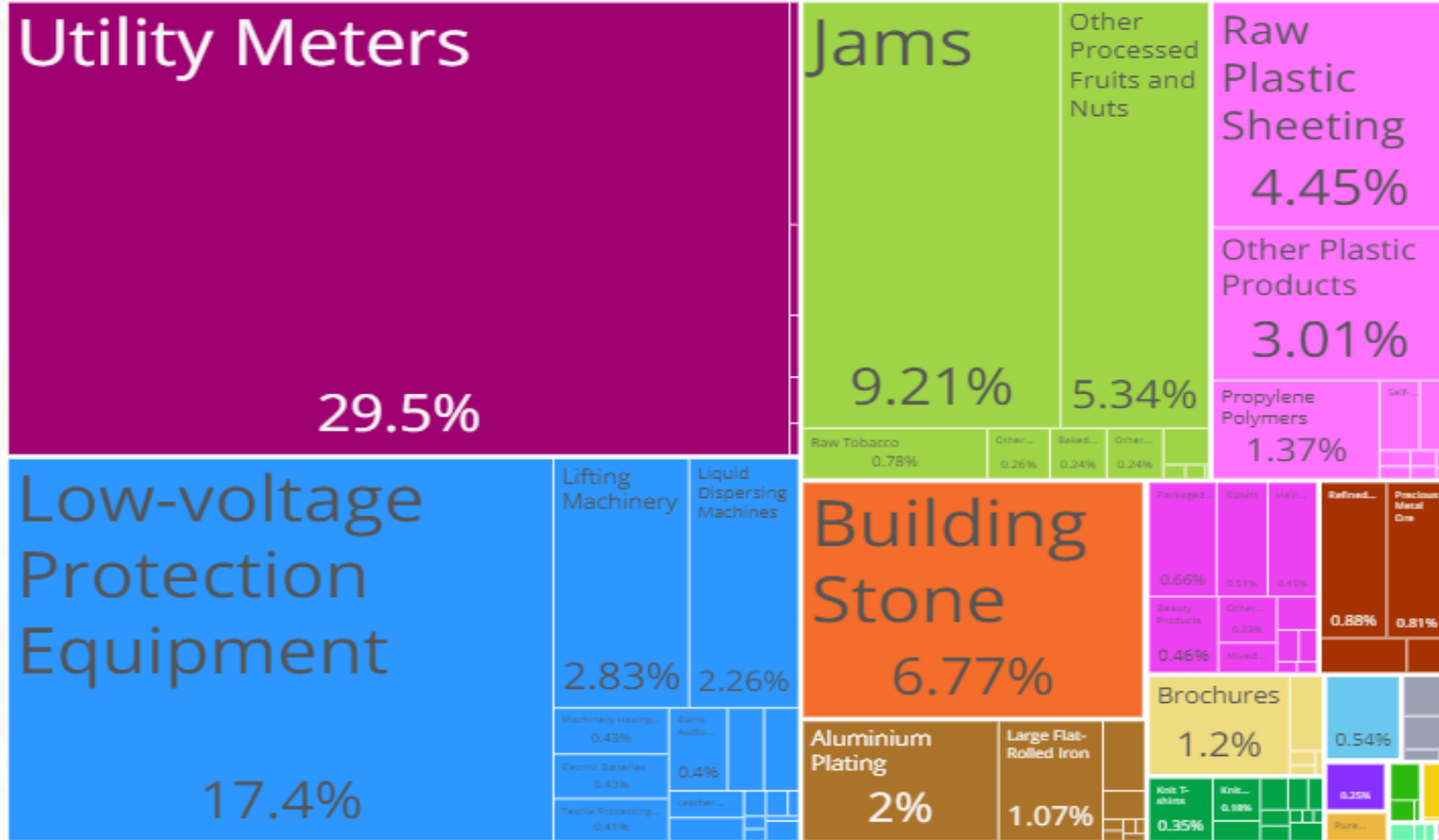
Total: \$54B





MEXICAN IMPORTS FROM GREECE 2022

Total: \$143M





Ports and transport modes

Map of ports of departure and modes of transport



Ports of departure



Modes of transport



A

Greece's trade regime with Mexico



RELACIONES EXTERIORES
SECRETARÍA DE RELACIONES EXTERIORES



Greece

Mexico

MEXICO and EUROPEAN UNION Free Trade Agreement

Entry into force:

1st **2000**
JULY



* DESTACADOS

Noticias

Jun
15
2023





MEXICO-EUROPEAN AGREEMENT

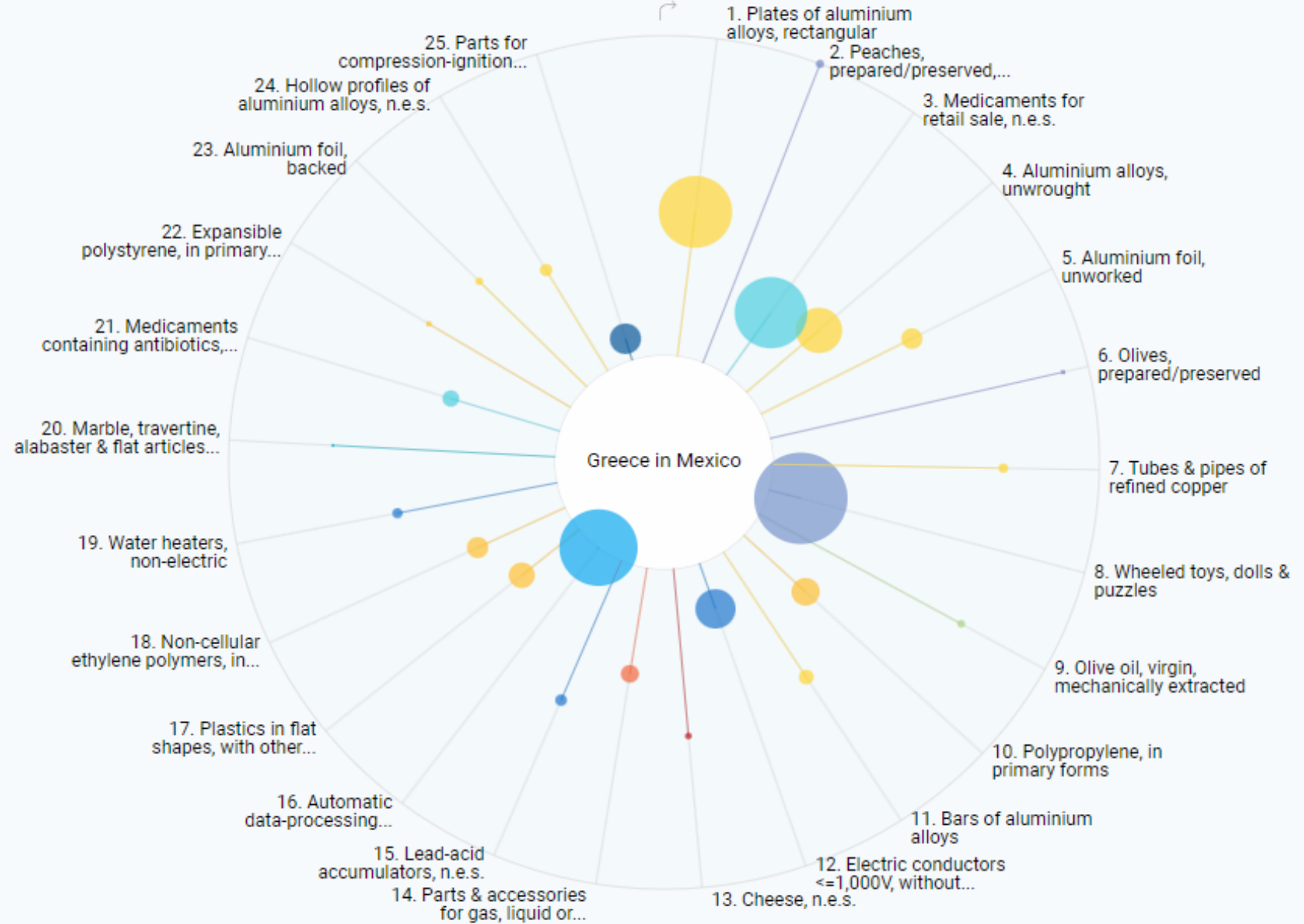
- In 1997, Mexico was the first country in Latin America to sign a *Global Agreement* with the EU. This came into force in 2000.
- In force for goods (2000) and for services (2001) Covers customs tariffs – scrapping tariffs on manufactured goods, BUT NOT FOOD OR DRINKS.
- Since then, trade in goods between Mexico and EU had more than tripled.



Export Potential for Greece in Mexico

(top 25 products)

Source: International Trade Centre
Export Potential Map



Export potential

FOR EXPORTER

Greece

IN MARKET

Mexico

PRODUCTS

Search a product by name/code...

- Dairy products
- Electronic equipment
- Food products n.e.s. (process...)
- Machinery, electricity
- Metals (except ferrous & preci...)
- Mineral products
- Miscellaneous manufactured p...
- Motor vehicles & parts
- Optical products, watches & ...
- Pharmaceutical components
- Plastics & rubber
- Miscellaneous

✓ Top 25



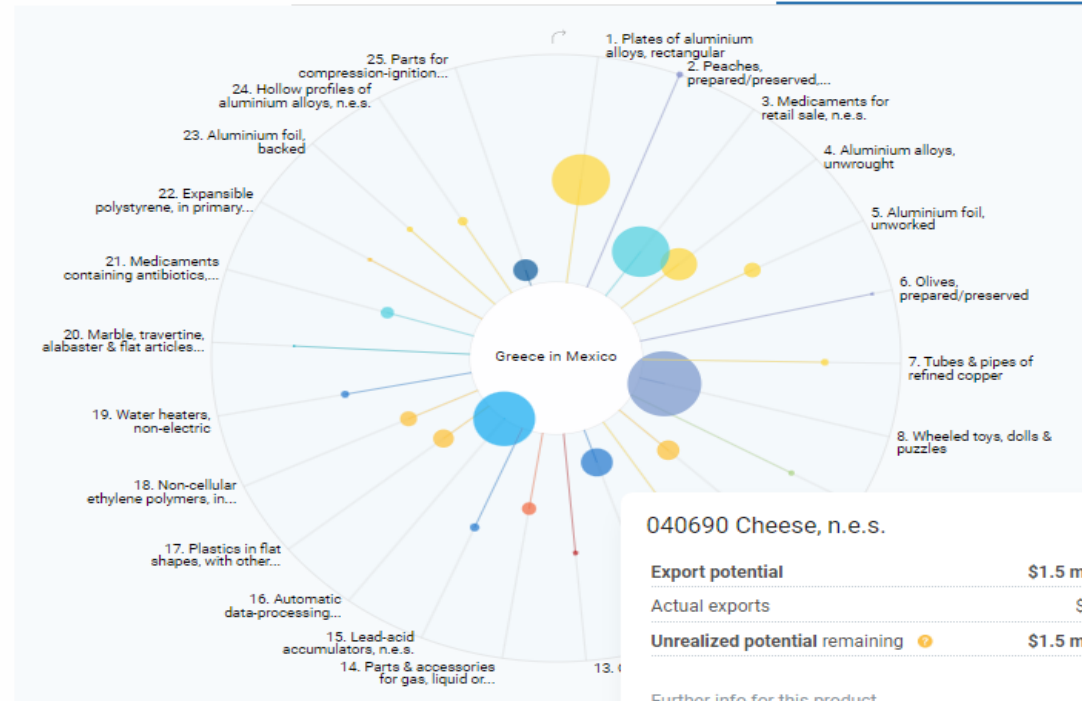
Reset

Spot export potential with

TREE MAP

GAP CHART

ANALYZE EXPORT POTENTIAL



040690 Cheese, n.e.s.

Export potential	\$1.5 mn
Actual exports	\$0
Unrealized potential remaining	\$1.5 mn

Further info for this product

Mexico's imports	\$358 mn
Greece's exports	\$668 mn
Mexico's average applied tariff to Greece	21.25%

PRODUCT DIVERSIFICATION: FIND NEW OPPORTUNITIES

Key findings

The products with greatest export potential from Greece to Mexico are prepared/preserved, n.e.s. and Medicaments for retail sale, n.e.s.. Gre...





MEXICAN PRIORITY PROJECTS

- MAYAN TRAIN
- SONORA PLAN
- INTEROCEANIC CORRIDOR OF THE ISTHMUS OF TEHUANTEPEC (CIIT by its initials in Spanish)

MAYAN TRAIN

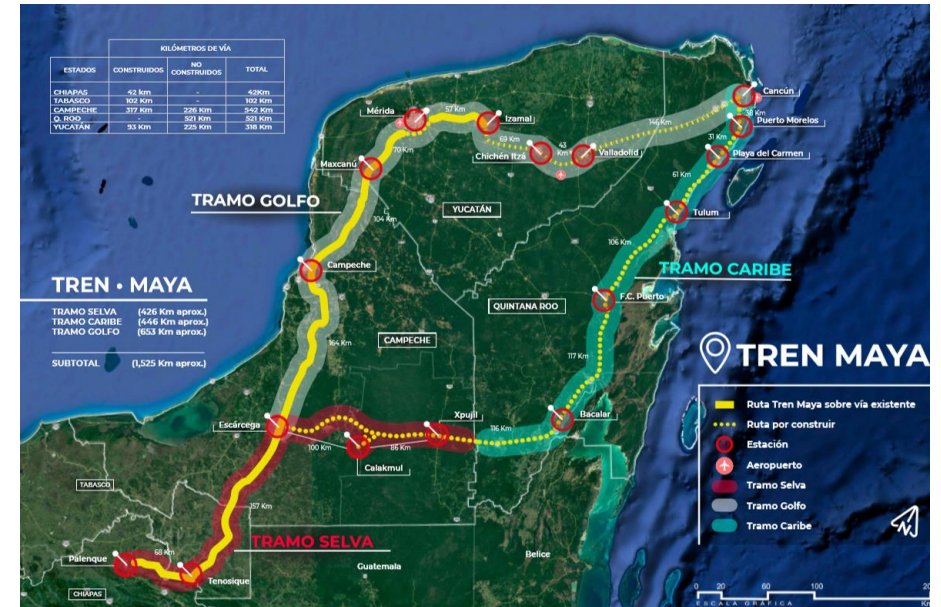
Approximate investment to date USD\$16,947 M

- The Project consists of providing rail transportation service that will interconnect the main cities and tourist areas of the states of Chiapas, Tabasco, Campeche, Yucatan and Quintana Roo, through **a railway line of approximately 1,440 km**

- It will connect the five states through a railroad service for cargo and passengers

Investment projects (international public tenders)

- detailed engineering
- construction of railways
- design and manufacture of trains





Improve the connectivity of the system of cities and regional strategic points, **reducing travel time and costs by 42%**

27% reduction in the economically deprived population, with an expected 20% increase in daily spending per tourist

More than one million jobs will be created in 10 years, 86% of which will be in Sustainable Communities and **705 thousand new formal jobs** in municipalities with stations and 150 thousand rural jobs

The agri-food sector is ahead of the economic activity derived from tourism, which is why this sector is seen as the great beneficiary of the Mayan Train project.

Investment in optical fiber

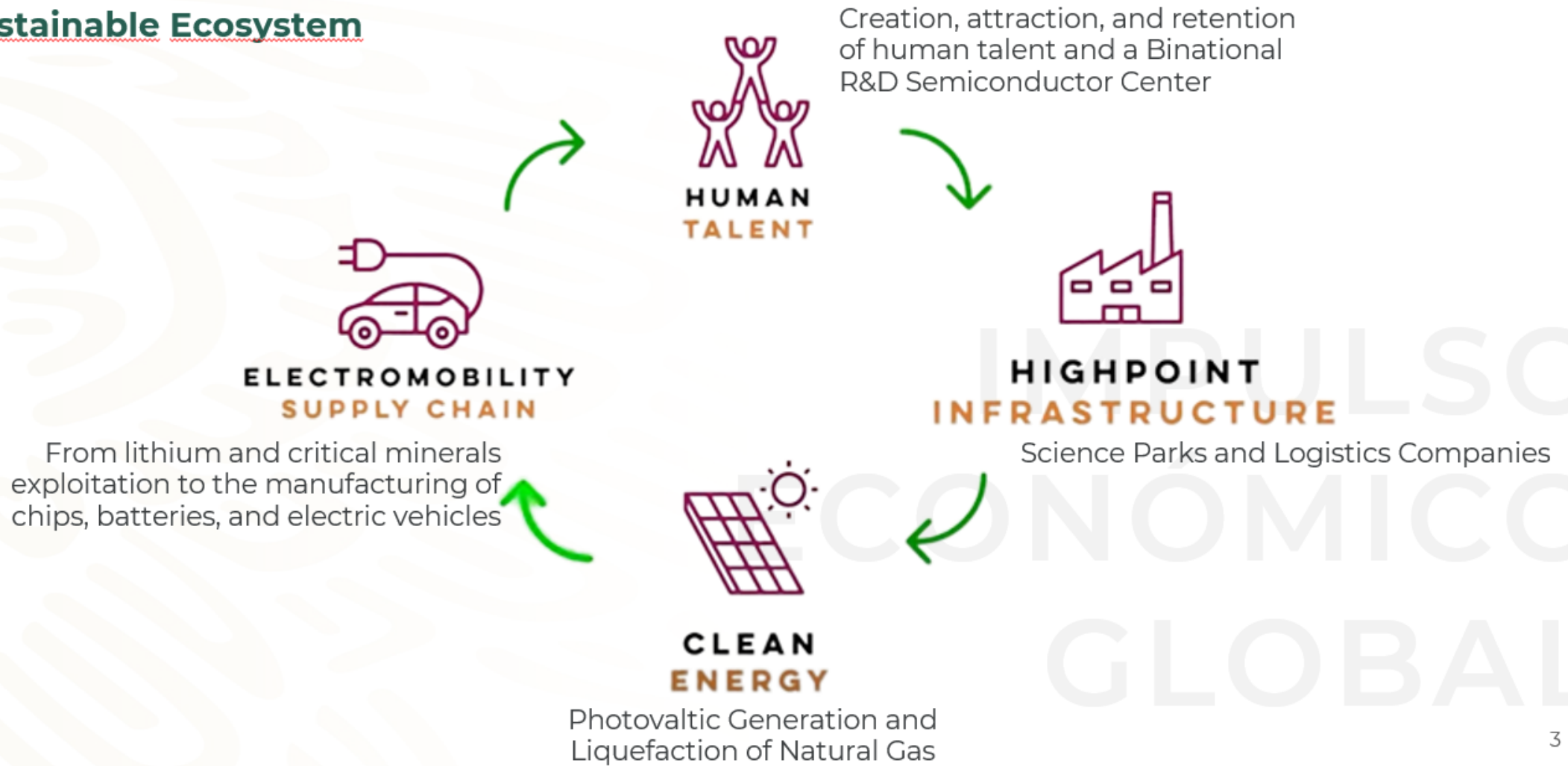


SONORA PLAN

- Government industrial initiative to achieve **energy security** in alliance with strategic industries such as **semiconductors, automotive, and electromobility**
- **Ecosystem driven model** replicable across the region aiming to **strengthen the state's supply chains** and develop (lithium, battery, manufacture, clean energy projects, electric vehicles) and improve (power connectivity and logistics)



Sustainable Ecosystem



Source: Government of México, Government of Sonora, Secretaria de Relaciones Exteriores (SRE)



INTEROCEANIC CORRIDOR OF THE ISTHMUS OF TEHUANTEPEC (CIIT by its initials in Spanish)

The Government of Mexico, through the **National Development Plan 2019- 2024**, considers as a **Strategic Regional Project the Program for the Development of the Isthmus of Tehuantepec**, under the principle of Economy for Wellbeing, for the care and protection of the environment and with full respect for the history, culture and traditions of the people of Oaxaca and Veracruz.

The Interoceanic Corridor of the Isthmus of Tehuantepec (CIIT) was created as a government organization with the **objective of improving infrastructure, economy and social justice in the South-Southeast Region of the country**

parallel projects:



Industrial Production

10 Development Clusters designed to strengthen essential industries in the region. These poles, backed by support and incentives, seek to create a favorable business environment, intensify competitiveness, attract significant investment and generate greater employment and trade opportunities, thus strengthening the local economy.



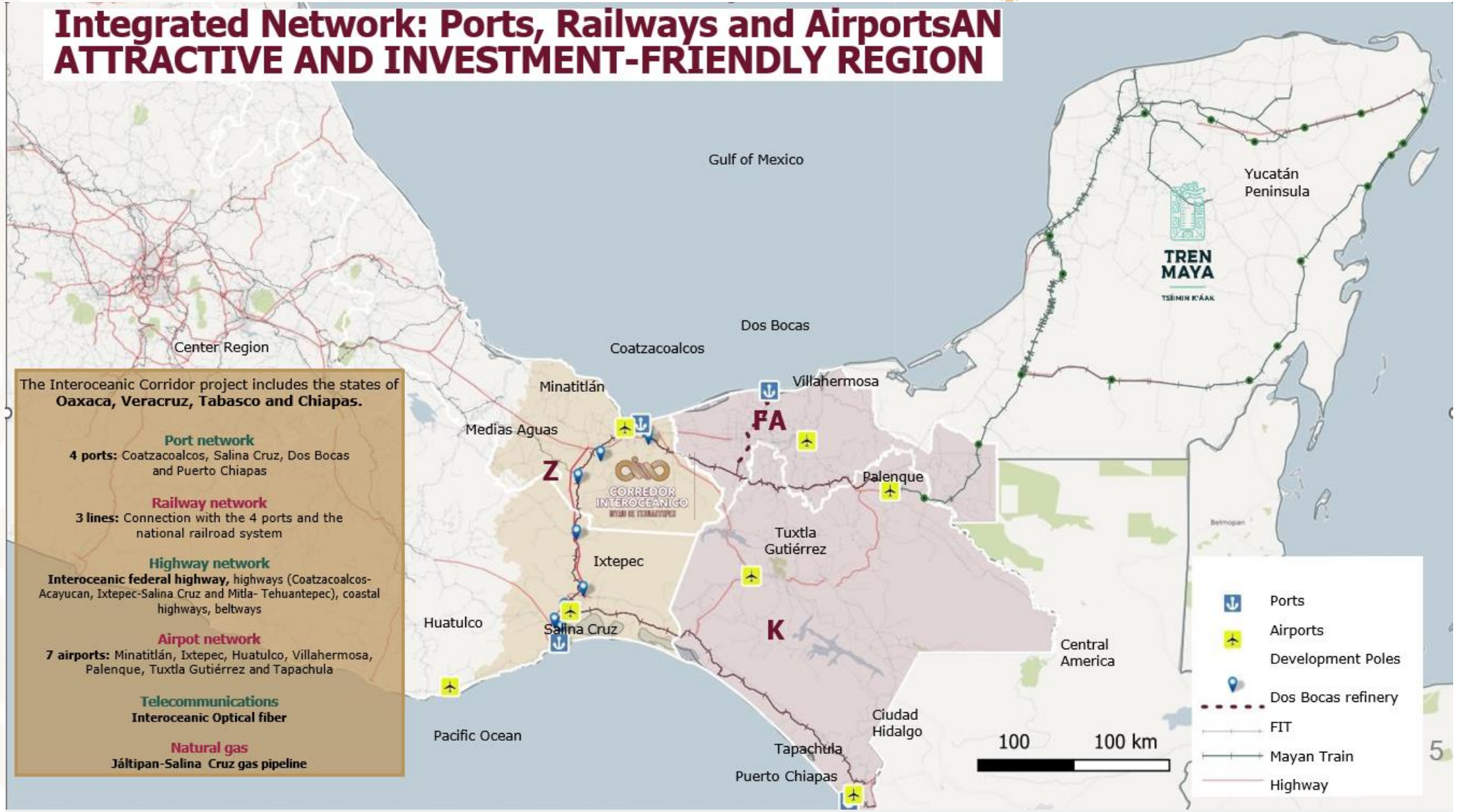
Logistics Platform

Modernization of infrastructure at the ports of Salina Cruz and Coatzacoalcos to enhance inter-oceanic transportation of goods, promoting local production in the Isthmus and south-southeast of Mexico in global markets, including cargo, transportation, warehousing and logistics services.





Integrated Network: Ports, Railways and Airports AN ATTRACTIVE AND INVESTMENT-FRIENDLY REGION



The Interoceanic Corridor project includes the states of Oaxaca, Veracruz, Tabasco and Chiapas.

Port network
4 ports: Coatzacoalcos, Salina Cruz, Dos Bocas and Puerto Chiapas

Railway network
3 lines: Connection with the 4 ports and the national railroad system

Highway network
Interoceanic federal highway, highways (Coatzacoalcos-Acayucan, Ixtepec-Salina Cruz and Mitla-Tehuantepec), coastal highways, beltways

Airpot network
7 airports: Minatitlán, Ixtepec, Huatulco, Villahermosa, Palenque, Tuxtla Gutiérrez and Tapachula

Telecommunications
Interoceanic Optical fiber

Natural gas
Jáltipan-Salina Cruz gas pipeline





Transit Times to Key Destinations



The Corridor will connect **Mexico with:**

- **6 destinations** with the United States
- **South America**
2.2 days/trip
- **Asia**
15 days/trip
- **Europe**
15 days/trip



Federal fiscal incentives

Accelerated depreciation



Accelerated depreciation of investments in the first 6 years of operation.

Revenue tax (ISR)



100% ISR discount during the first 3 years of operation.

50% in the 3 subsequent years, however, if they exceed the employment goals, the discount may be up to 90%.

Value Added Tax (VAT)



Operations within the Poles and between Poles will not pay VAT for 4 years.

VAT paid on purchases made outside the Poles will be recoverable.

Requirements



In order to ensure that new investments contribute to regional development, the Ministry of Finance will request minimum employment levels that companies must meet in order to obtain tax benefits, according to their economic activity.



THANK YOU!



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