

MEXICO *NOW*

Mexico's Manufacturing Supply Chain Summit

Conference - B2B - Plant Visits

**El Paso, Texas
April 26-27, 2012**

Outlook of the Mexican Automotive Industry

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*Mexican Automotive
Industry Association*

April 27, 2012

The success of the Mexican Automotive Industry

- 21.3 % of mexican total manufactured exports are automotive goods in 2011, for a total record high of 59.4 BD
- Growing at historic figures in exports and production in 2011
- 8th largest manufacturer of vehicles in the world and 5th largest exporter
- Number one supplier of auto parts in the US market

What are the elements for Mexico's success in the automotive industry?

Market Access

- Preferential market access to major markets pursuant to the network of trade agreements

Experience

- Important experience in the automotive industry: world class labor force and supply chain. This intangible asset allows companies to produce vehicles at a very high quality standard

Location

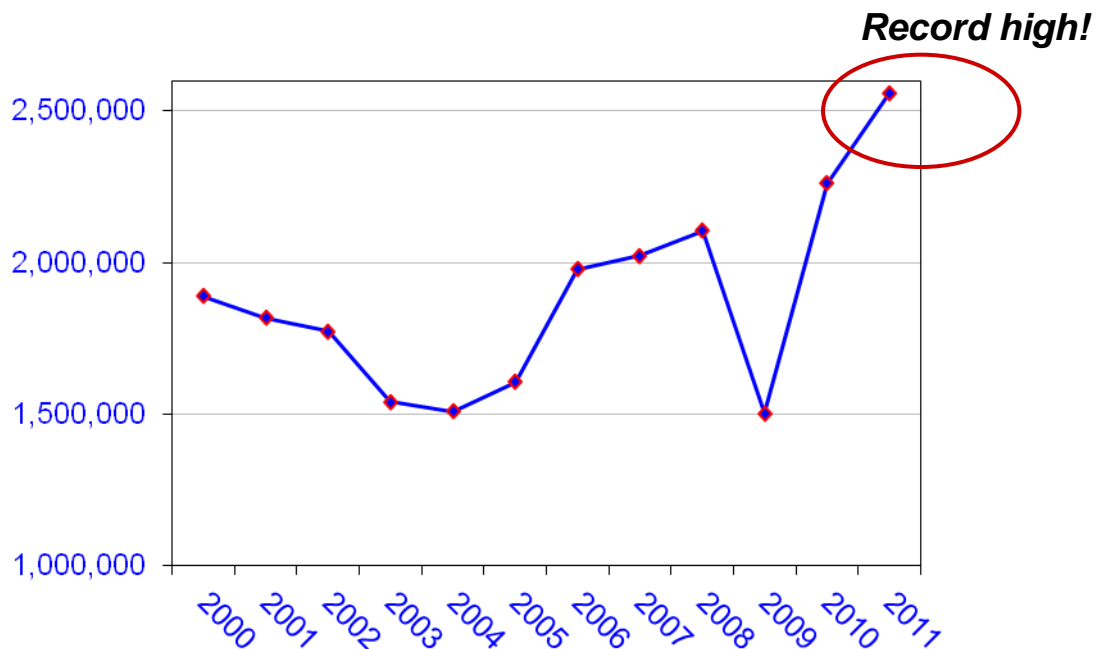
- Mexico geographic privileged location is well positioned to export to north america, central and south america, with the right logistics to also export to Europe and Asia.
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Mexico IS the second major supplier of light vehicles for the US market

- 10.3% of the US domestic market is supplied with Mexican vehicles (jan-mar 2012)
 - Mexico is second supplier only after Canada
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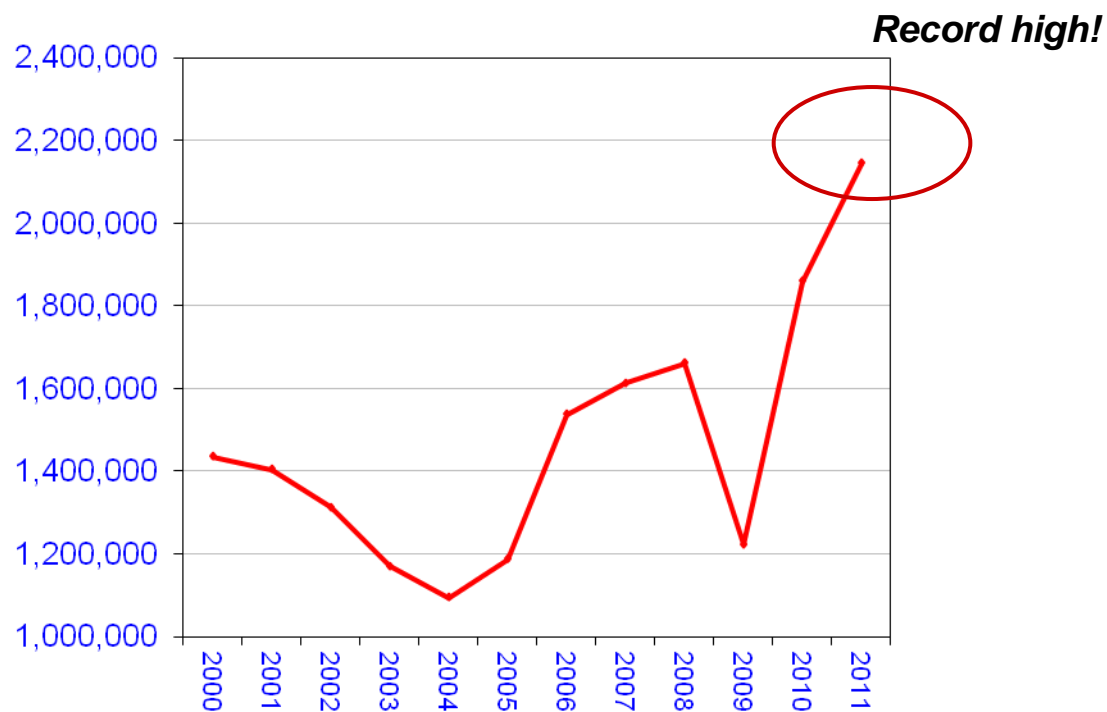
Light vehicles production in Mexico

PRODUCTION 2000 - 2011



Mexico's light vehicles exports

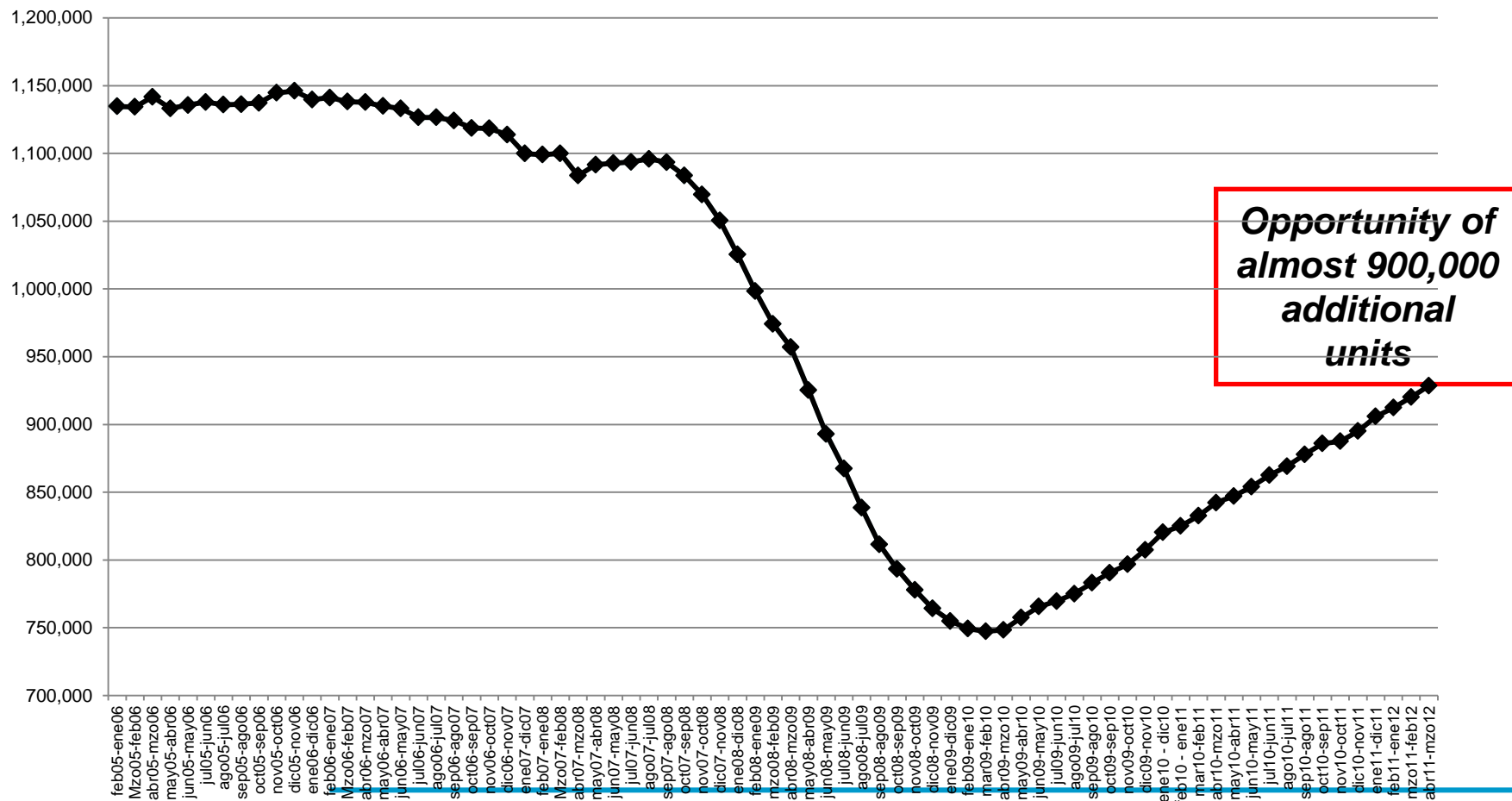
EXPORTS 2000 - 2011



Source: AMIA

Domestic Sales in Mexico: The opportunity

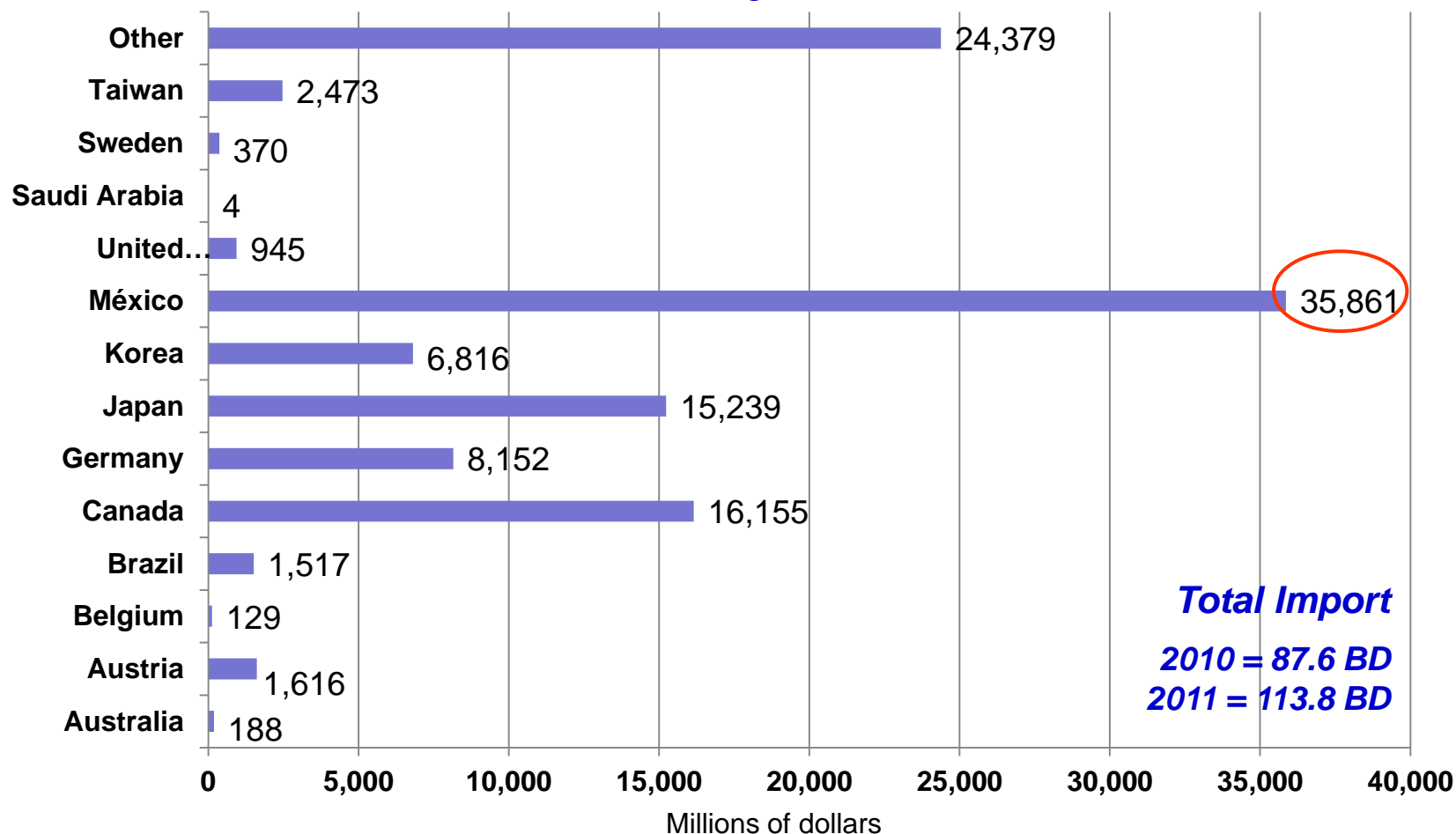
2005 – 2012



Source: AMIA's with associate's data

...interesting enough Mexico is
the single most important
supplier of autoparts to the US

US imports of autoparts 2011



Challenges and opportunities

- Latin America is going to CONTINUE to be the natural place for new North American automotive investments
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- Mexico is the key major player, strategically located for high end automotive products that include product engineering process, design and world class manufacturing

New Automotive Projects

Mazda, Guanajuato 500 BD

Nissan, Aguascalientes 2,000 BD

FORD, Sonora 1,300 BD

Volkswagen, Engines, Guanajuato 800 BD

AUDI, ?

Challenges and opportunities

- **The export Market:** Mexico supplies one third of the auto parts imported by the US and more than 10 percent of its vehicle market
 - **The local Need:** Mexico clearly needs to further strengthen its tier 2 and tier 3 supply chain: *a clear investment opportunity!*
 - **The local Opportunity:** Mexico's domestic market has an opportunity of one million vehicles additional sale if we do our homework over the next years
 - **The Partnership:** Government works together with the industry to identify these opportunities
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asociación mexicana de la industria automotriz, a. c.

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