Ann Bacher, Minister Counselor for Commercial Affairs, U.S. Embassy, Mexico City
Why Mexico?

- Location / Access to Goods/Services/Market in U.S
- Size, Diversify, and Vast Market
- Shared Culture: Western, Hispanic
- Manufacturing base in various sectors
- Stronger legal protections
- Politically stable
- Macroeconomic stability
- Retirement Destination
U.S. – Mexico Relationship

The North American Leaders Summit

• “A new era of cooperation and partnership”
• “Shared responsibility” in the drug wars

NarcoViolence
Immigration
Environmental Issues
Commercial
Mexico is the United States’ 3rd largest trading partner

Mexico is the 2nd destination of all U.S. exports

Mexico accounts for roughly 1/8 of all U.S. exports

22 American states depend on Mexico as their first or second destination for exports.
Mexico #3
U.S. Trading Partner

2008 (billions of dollars)
U.S. Exports to Mexico
1996 – 2008

2008 to 2009 Percent Change = -13.7%
Mexico Fundamentals
Economy
Outlook for 2009/2010

• GDP growth: between -7.4%
  Projected GDP growth 2010: 3%

• Inflation: 4.2% 2009/3.9% 2010

• Peso has lost 27% value to dollar since Fall 2008

• Oil, foreign investment, remittances, tourism – 4 main dollar earners—all down
Mexico Fundamentals
Population

- Population: 118.1 million (2009)
  119.4 (projected 2010)

- Under 20: 44%

- Literacy Rate: 91%

- Urban: 77%

Class Divisions

- Wealthy: 23%
- Middle Class: 37%
- Poor: 40%
Mexico Fundamentals

Dollar-Peso Exchange Rate

[Graph showing the Dollar-Peso exchange rate from July 2007 to December 2008, with actual and forecasted values indicated.]
Mexico - A Large and Complex Market
Business Opportunities-
Top 10 U.S. Exports

1. Vehicle Parts & Accessories
2. Electric Apparatus
3. Other Petroleum Products
4. Plastic Materials
5. Computer Accessories
6. Other Industrial Supplies
7. Semiconductors
8. Finished Metal Shapes
9. Telecommunications Equipment
10. Organic Chemicals
Business Opportunities
Best Prospects

51% of Mexican Imports Come From the United States

- Agro-industry Equipment
- Airport & Ground Support Equipment
- Education & Training Services
- Energy Sector
- Environmental Equipment & Services
- Franchising
- Hotel and Restaurant Equipment
Business Opportunities
Best Prospects

- Housing & Construction
- Internet & IT Services
- Packaging Equipment
- Safety & Security Equipment / Services
- Telecommunication Equipment
- Transportation Infrastructure Equipment & Services
- Travel & Tourism Services
Business Opportunities
Natl Infrastructure Plan
What’s Actually Happening

• Airports-
  • Construction of 3 new airports
  • 9 Expansion Projects

• Ports-
  • Most port projects delayed due to lack of interested bidders
  • Mainly expansion and renovation projects.

• Oil and Gas-
  • 7 projects coming up for bid valued between 2 billion and 36 million

• Power-
  • 5 projects coming up for bid valued between 1.4 billion and 590 million

• Water-
  • Project: Agua Prieta Waste Water Treatment Plant - Guadalajara (179 million)
  • Project: Atotonilco Waste Water Treatment Plant - Mexico City (81 million)
Business Customs

- Good personal relationship
- Business might develop slowly
- Work relationships are stratified and hierarchical – vertical and rigid
- Follow up quickly, and if possible by phone not just email
- Have patience!
International Buyer Shows

- **Intl Home & Housewares Show** (14-17 March) Chicago
- **ISC West (Intl Security Expo)** (24-26 March) Las Vegas
- **Waste Expo Atlanta** (4-6 May 2010)
- **SuperComm** (June 2010) Chicago

Trade Events

- **ExpoManufactura** (2-4 March 2010) Monterrey
- **PlastImagen** (March 23-26, 2010) Mexico City
- **ExpoSeguridad** (20-22 April 2010) Mexico City

Trade Missions

• Franchise Mission (March 2010)
• Clean IT Mission (June 2010)
• State Missions (Iowa, Utah, Arizona, Montana, Virginia, Florida, Wisconsin, North Carolina, California)
• NTE Mission - Guadalajara and Monterrey (December 2010)
• COP 16 - Cancun (December 2010)
The U.S. Commercial Service helped U.S. companies secure 512 distinct export sales worth $139 million in bookable business for American companies, including small and medium size firms for the last fiscal year.
Export Successes

Manufacturer of popcorn production and concession equipment from Illinois

- U.S. Commercial service led a delegation of 175 Mexican buyers to the IBP National Restaurant Show
- $300,000 in popcorn machines and equipment purchased by largest movie theater company in Mexico.

Manufacturer of industrial molds and wire EDM machines from Illinois

- Helped company collect payment after a Mexican firm stopped payment on a industrial mold. Were able to settle the complaint for $60,000
Export Successes

Wisconsin manufacturer of window glass racks
- Needed consultation about export procedures for a Mexican order of glass racks.
- Sale of 43,000

A pan manufacturing company in Ohio
- U.S. Commercial Service brought a delegation of 125 Mexican buyer to attend PACK EXPO
- Mexico’s largest bakery company bought 3,500,000 worth of baking molds and trays
Maryland based manufacturer of fasteners including hose clamps and fasteners for the industrial irrigation, plumbing, agricultural and beverage industries.

- U.S. Commercial Service prepared matchmaking service for the company.
- CS assistance contributed to the sale of $6,000 in the Mexican market.
Export Successes

A Michigan manufacturer of automotive components and air-conditioning systems

- U.S. Commercial Service brought a delegation to the AAIW Automotive Trade Show in Las Vegas
- After follow up and counseling from C.S. a Mexican auto air-conditioning firm bought 800,000 worth in products.

Distributor of equipment for the automotive industry in Ohio

- U.S. Commercial Service brought a delegation to the SEMA AAPEX show
- Onsite counseling and support resulted in 71,000 purchase of automotive equipment.
You can be successful in the Mexican Market too!

Muchas Gracias!!