



Monterrey, MEXICO

Nuevo León 2007

General Overview of Mexico

- Capital: Mexico City
- Location: North America
- Government: Federal Republic
- 31 States, 1 Federal District
- President: Felipe Calderón PAN (2006-2012)
- Population: 105 million inhabitants
- GDP: \$843 billion USD
- Income per capita: \$8,059 USD
- Currency: Mexican Peso
- Official Language: Spanish

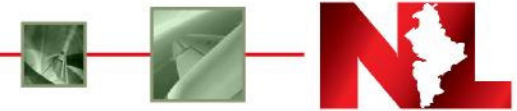


Doing business in Mexico

Mexico's strengths

- Strategic location
- Open economy
- Competitive labor force
- Network of free trade agreements
- Attraction of FDI
- Strategic industrial sectors

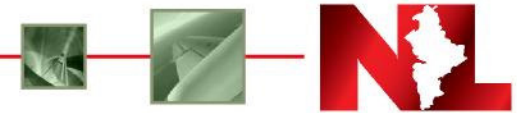




Healthy business environment in Mexico

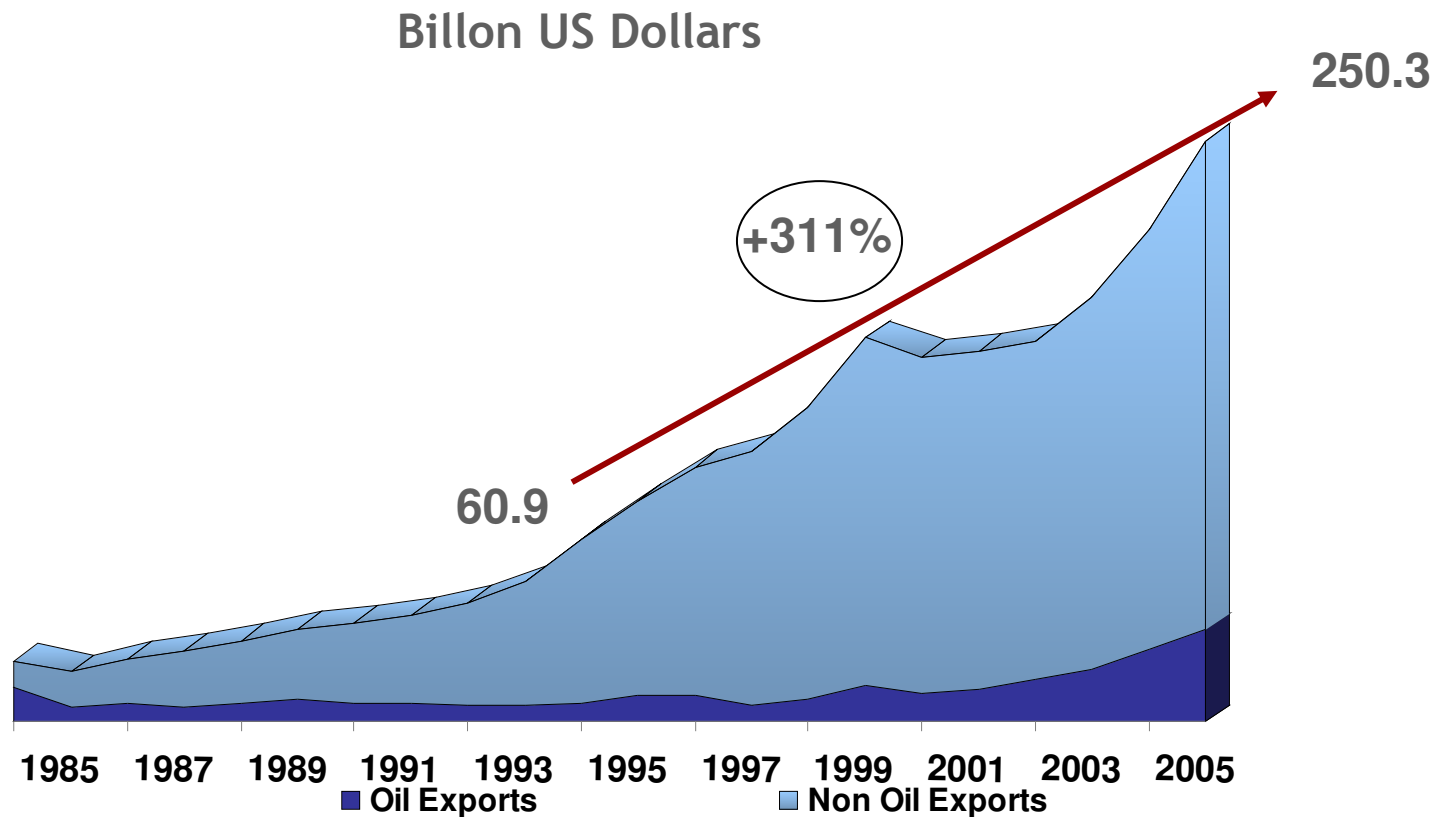
- Lowest ever country risk levels;
- Investment grade Economy;
- Low inflation rates;
- Healthy public finances:
disciplined Fiscal and monetary
policies;
- Highest level of International
Reserves



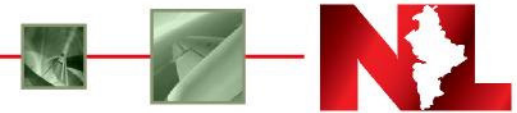


Mexico's Total Exports

...by far the leading exporter in Latin America and the third largest exporter to the US



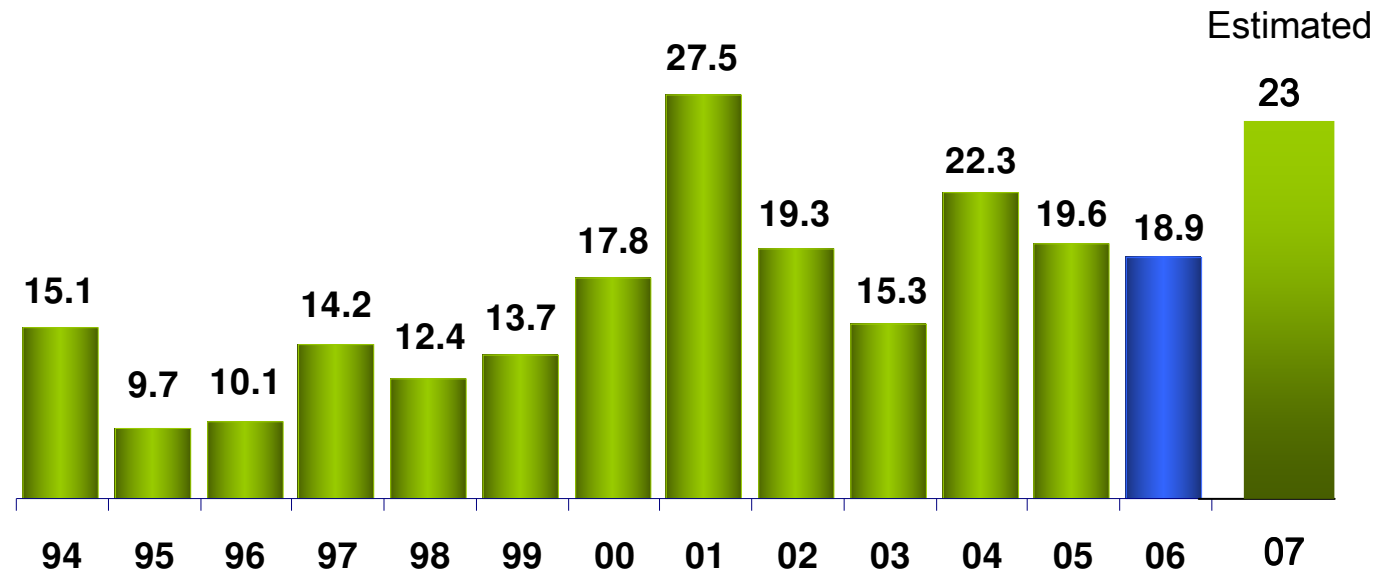
Source: BANXICO



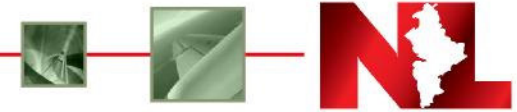
Current Economic Indicators

Second largest recipient of FDI in the world amongst developing countries...

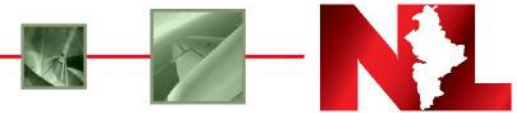
Flows of Foreign Direct Investment (FDI) into Mexico (billion US Dollars)



Source: BANXICO



□ **Nuevo Leon:** Industrial Leader State In Mexico



N.L.: Mexico's leading Industrial Economy

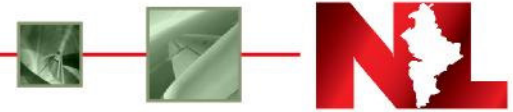
- **Capital:** Monterrey
- **Population:** 4.3 million inhabitants (4% of the total population of the country)
- **GDP:** \$61.5 billion USD (7.3% of the country's GDP)
- **Income per capita:** \$15,827 USD (\$7,000 USD above national average)





□ **Nuevo Leon:** Competitive Advantages





□ Human Capital



World Class Education

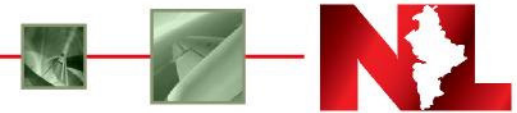
- **More than 93 universities and schools of higher education**
- **Monterrey Tech and the University of Monterrey, are two of the most prestigious universities in Latin America**
- **The State University of Nuevo Leon (UANL) is ranked as one of the best state universities in Mexico.**
- **60 bilingual schools.**
- **213 technical careers with 52,000 students.**

| Average Education Level of the work force: National Average | Average Education Level of the work force: Nuevo Leon |
|--|---|
| 8.7 | 10.1 |



World Class Education

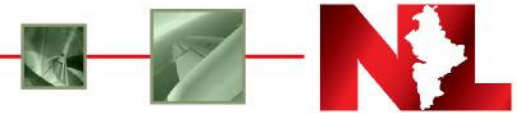
- **More than 450 agreements with schools abroad (through TEC, UDEM, UANL, and UR).**
- **Diverse Engineering Education Opportunities**
- **More than 100 years of Sectoral Development**
 - **Consolidated Industrial Clusters**
 - **Citizen Councils for the Development of Industry (Government, Academia, and Industry)**
- **Dynamism and Innovation**
- **Large population of Engineering Graduates**
 - **11% NL vs 6% Jalisco vs 1.6% Querétaro**
- **Proximity to Industry and the Center of Manufacturing**



Number of University Students in 2006

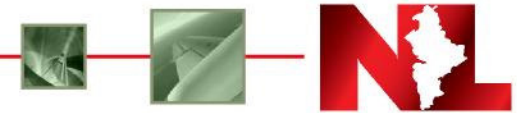
| | | |
|------------------------------------|---------------|------------|
| Administration and Social Sciences | 61,571 | 45% |
| Engineering and Technology | 53,824 | 40% |
| Health Sciences | 11,553 | 9% |
| Education and Humanities | 6,388 | 5% |
| Exact and Natural Sciences | 1,495 | 1% |
| Agrobusiness | 1,040 | 1% |

Source: The Secretary of Education of Nuevo León, ANUIES, 2006-2007.



Index of Competitiveness - Nuevo León

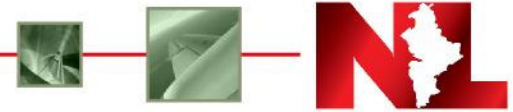
| Year | National Position | Concept | Source |
|-------------|--------------------------|--|------------------|
| 2005 | 1st | State Index of Economy Based in Knowledge, 7.63 | ITESM |
| 2007 | 1st | Study: "Best Cities in which to do Business" (Ranked 3rd at the Latin American Level, and has been with in the top 3 for the past 8 years) | América Economía |
| 2007 | 1st | Most Competative City in the Country | Aregional |
| 2007 | 1st | Study of Competativeness: Index of Global Competativeness, .875 | ITESM |
| 2005 | 1st | Best Human Resources | FDI Magazine |



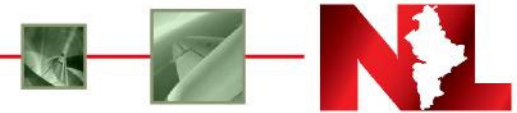
Stable and growing labor force

- Stable, productive and qualified labor force
- Quality oriented culture
- Global business environment.
- 9 years without any strike
- Competitive labor wages
- Human capital: highly skilled and educated workers
- Efficient links between academia, industry and government
- Workforce: 1.9 million: 45% of the total population
- Combination of high tech manufacturing in a low cost region



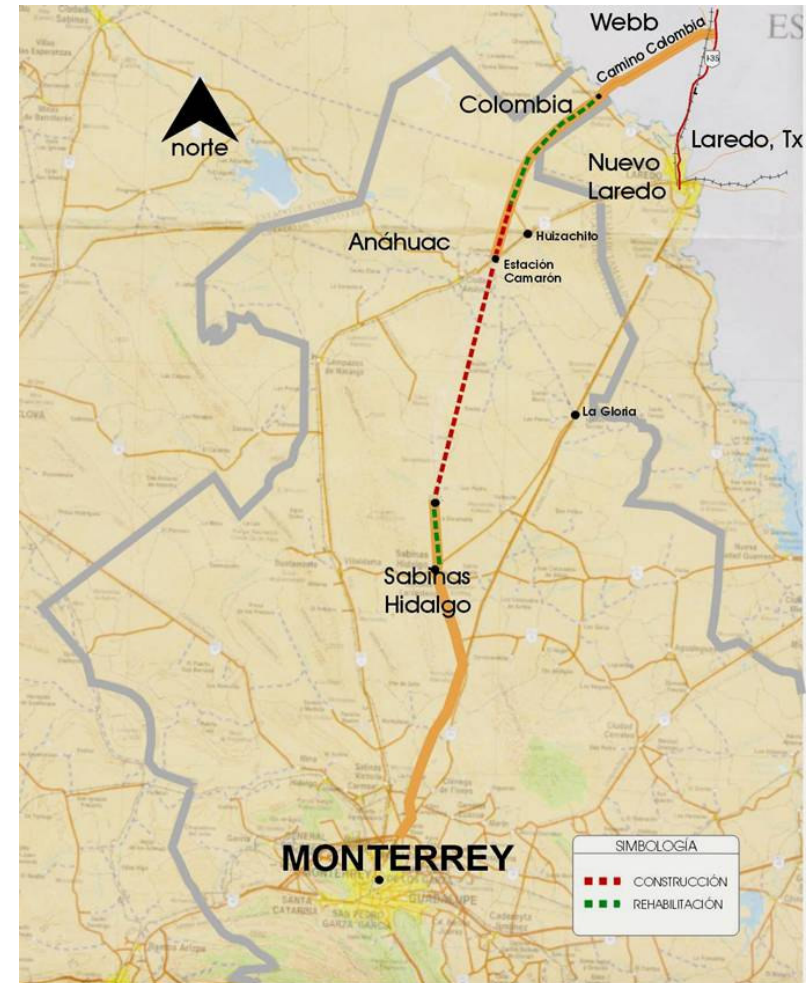
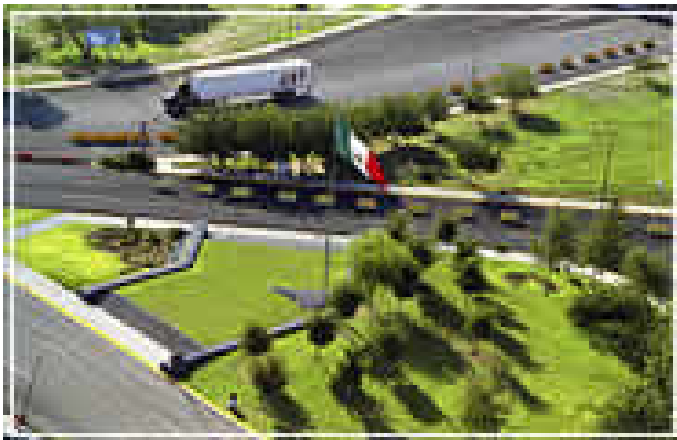


□ **Modern Infrastructure**



International bridge of colombia, nl.

- Daily capacity for 12,000 trucks
- Current capacity used (33%)
3,900 trucks per day
- Free trade zone: 820 acres





Highway and railway System

- Located on Mexico's main trucking route linked to USA's I-35 highway.
- Railroad system having connections to major ports and cities in Mexico and US.
- Currently building a new highway to the US-Mexico border (Colombia, NL)





2 international airports

- One private corporate and one commercial airport
- 180 weekly non-stop flights to major US cities
- 94 cargo flights per week



Subway

- Efficient subway lines in the METRO area – Currently expanding



100% INDUSTRIAL TREATED
WATER



SUPPLY OF NATURAL GAS

POWER SURPLUS



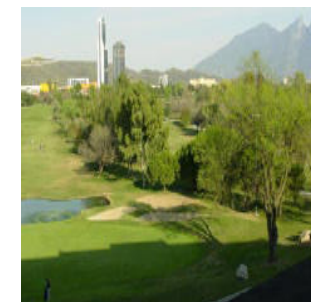
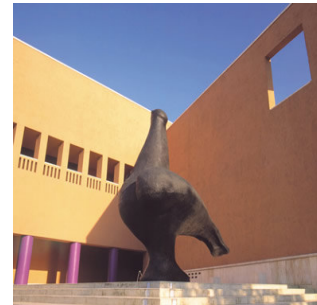
EFFICIENT
TELECOMMUNICATIONS

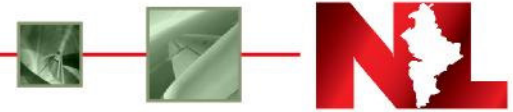


□ **High Quality of Life**

Quality of life

- Highest income per capita following Mexico City.
- Private hospitals provide top quality medical services.
- Diverse sports and cultural events
- Many active foreign communities.
- Global Business culture is widespread.
- Universal Forum of Cultures, Paseo Santa Lucia (river walk)

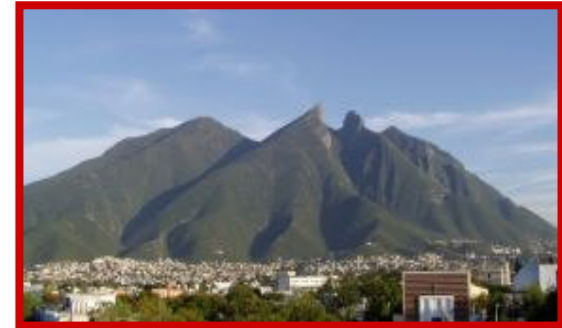




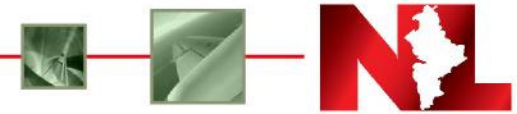
Achievements

Achievements

- Producer of 11% of all of Mexico's manufactured goods, equivalent to \$16.4 billion USD
- Total exports in 2006: \$16 billion USD
- 2nd most important State in attracting FDI (an average of \$1 billion USD per year).
- 80,000 jobs were created in 2006
- More than 1,800 foreign companies established



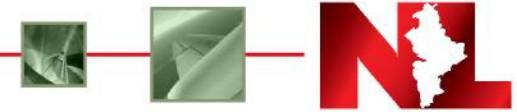
*Source: Secretariat of Economic Development



Developed clusters

- Automotive, autoparts and components
- Home appliances and components
- Electric and electronic equipment
- Metal mechanics
- Steel, glass and cement
- Software and IT services





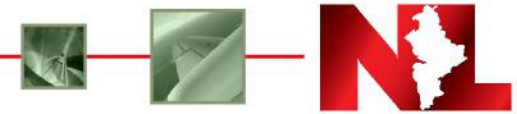
Developing sectors

- **Aerospace**
- **Biotechnology**
- **Nanotechnology**

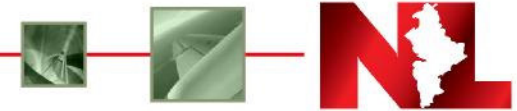


Honeywell

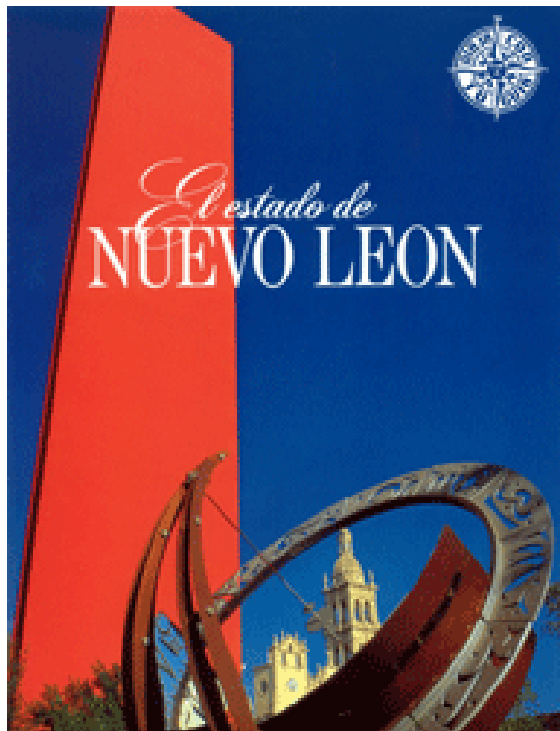




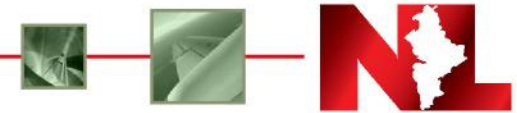
□ **Why Choose Nuevo León?**



Why choose Nuevo Leon?



- ✓ Location
- ✓ Human Capital
- ✓ Stable Labor force
- ✓ Supply Hub Program
(outsourcing opportunities)
- ✓ Modern Infrastructure
- ✓ 69 Industrial Parks + 1 *Technology Park*
- ✓ Global business culture is widespread
- ✓ Quality of Life



NUEVO LEON

PLATFORM FOR
DOING BUSINESS IN NORTH
AMERICA

SEDEC

SECRETARIAT OF ECONOMIC DEVELOPMENT

www.businessmonterrey.gob.mx