



***American Industries***

**Leading facilitator for  
Doing Business in Mexico**



**June 29<sup>th</sup> 2017**



# American Industries

**Mission:** Facilitate the successful establishment of international corporations in Mexico.





An aerial photograph of Chihuahua, Mexico, showing a vast industrial park with numerous large warehouse-like buildings and parking lots filled with cars. In the background, the city of Chihuahua is visible, followed by a range of mountains under a clear blue sky. A white diagonal banner is overlaid on the left side of the image.

# Welcome to Chihuahua



CHIHUAHUA

**TALENT.  
SUPPLIERS.  
LOCATION.**

**CHIHUAHUA IS THE BEST LOCATION IN  
NORTH AMERICA FOR JLR'S ASSEMBLY PLANT**



Chihuahua State Area: 95,545 mi<sup>2</sup>  
United Kingdom Area: 94,058 mi<sup>2</sup>





PARTS AND  
COMPONENTS  
LOCATED IN LESS  
THAN 36 HOURS  
BY ROAD





ARCHITECTURE



LIFESTYLE



MODERN  
CITY



SHOPPING



HOTELS



NICE PLACE  
TO WORK



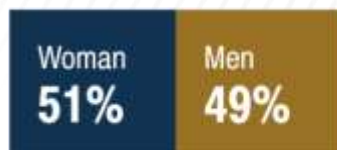


## Chihuahua State at a glance

- **Area:** 250,000 km<sup>2</sup> (96,500 mi<sup>2</sup>) (13% of Mexico)
- **Population:** 3.5 M Inhabitants (3% of Mexico)
- **Population density:** 14 per km<sup>2</sup> (37 per mi<sup>2</sup>)
- **Municipalities:** 67
- **Main cities:**
  - Chihuahua (capital)
  - Juarez (largest)
- **Border crossings:** 10
- **Ports of entry:** 5

**Population:**  
3.5 Million Inhabitants

### By gender



### By age

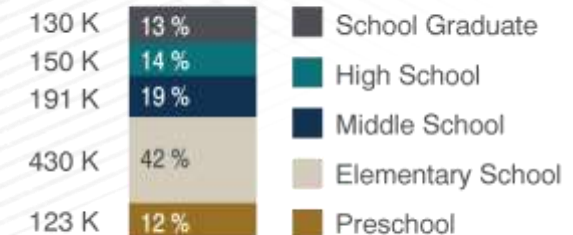


### By age range



## Education

1 million students



40K Engineering Students

★ +5 K Engineers graduate every year



## Chihuahua State at a glance

**In 2016, Chihuahua border crossings accounted for:**

- 850 Thousand commercial trucks
- 13.5 Million vehicles
- 7 Million pedestrians

★ 1<sup>st</sup> Place Nationwide

Trade  
**\$99 Billion USD/Year**



■ Exports ■ Imports

★ 3<sup>rd</sup> Place Nationwide

**IMMEX Establishments +485**



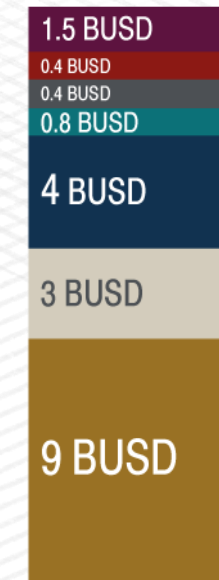
★ 1<sup>st</sup> Place Nationwide

**IMMEX Employment +360,000**



★ 2<sup>nd</sup> Place Nationwide

**FDI (1999-2016) +\$19 BUSD**



■ Other  
■ Metal-Mechanic  
■ Textile  
■ Medical  
■ Electronics  
■ Aerospace  
■ Automotive

**IMMEX** is defined as an instrument to temporarily import goods and services that will be manufactured, transformed or repaired, and then re-exported without payment of taxes, compensatory quotas, and other specific benefits

- Minimum export +500 KUSD
- Minimum 10% income from exports



# What is happening in the region?

- Three unique operating environments (Chihuahua-Texas-New Mexico).
- 4.5 million population in the Region (Juarez, El Paso, Santa Teresa).
- Multilingual and Multicultural business environment.
- 5 Airports / International railway System (UP, BNSF and FERROMEX).
- + 90 Million ft<sup>2</sup> of Industrial Buildings.

**JUAREZ: Among the Continent's Largest Mfg. Centers:**

- + 250,000 mfg jobs.
- + 320 "IMMEX" plants
- FDI: +600 musd

**Main Sectors:** Advanced Manufacturing for: Aerospace, Automotive, Medical Devices & Consumer Electronics.

+ \$ 99 US billion in US-Mexico Trade

- \$55 US billion exports
- \$44 US billion imports

+ 35,000 daily pedestrian crossings

+ 60,000 daily vehicle crossings

+ 4,500 daily commercial trucks crossings

NEW MEXICO

TEXAS

CHIHUAHUA

- Promotion of tourism activities and clusters such as: Health, Hunting, ecotourism, cultural and educational
- Trade missions, business meetings with international companies.

More than 70,000 jobs in El Paso, TX and Sta. Teresa, N.M. tied to Juarez industrial activity.



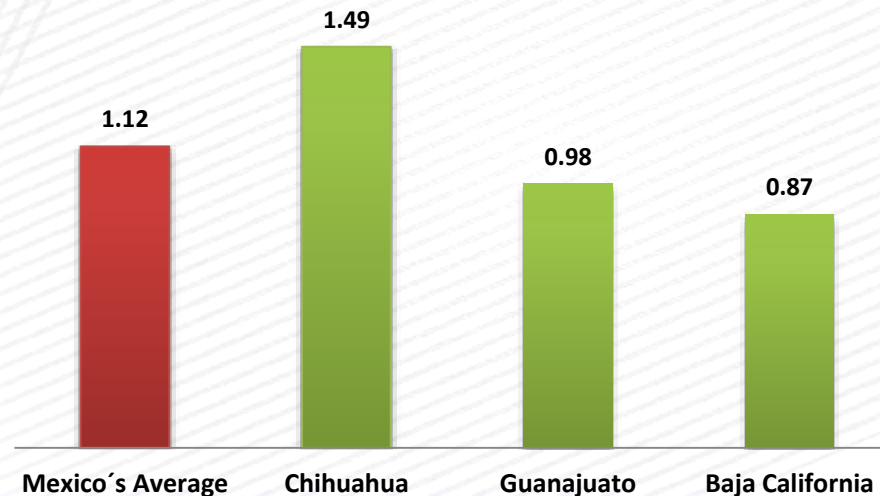


**Our workforce is our greatest asset for industrial growth...**

In Chihuahua, Educational and Training Centers are linked to support the industry needs

- Universities and Technology Institutions.
- Vocational – Technical institutions.
- R&D Centers (eg. CIMAV- Advanced Materials Research Center).
- The CENALTEC, a state of the art training center that trains specialized operative personnel according to industry needs.

**Engineering Graduates per 1,000 Inhabitants**







- This unique training center in Mexico, is used to train and certify operative and technical personnel under international standards in 2 Campus: Chihuahua and Juarez City.
- CENALTEC's educational model consists in short term programs adapted to comply with the industry's specific needs, with 80% hands-on learning programs.
- Instructors with a wide industrial experience (+20 years)

## Aerospace International Certifications

- Machining – Honeywell, Kenteq/ROC - Europe, NIMS/ASME - USA**
- SMA – Textron Aviation, Bell - USA**
- Welding – BRP, others.**
- Others**



**Public and Private Training, Education and R&D Institutions**



**>550 facilities of medium and large companies**



**Industry**

**Education, Training and R&D**

**Government and Private Sector**

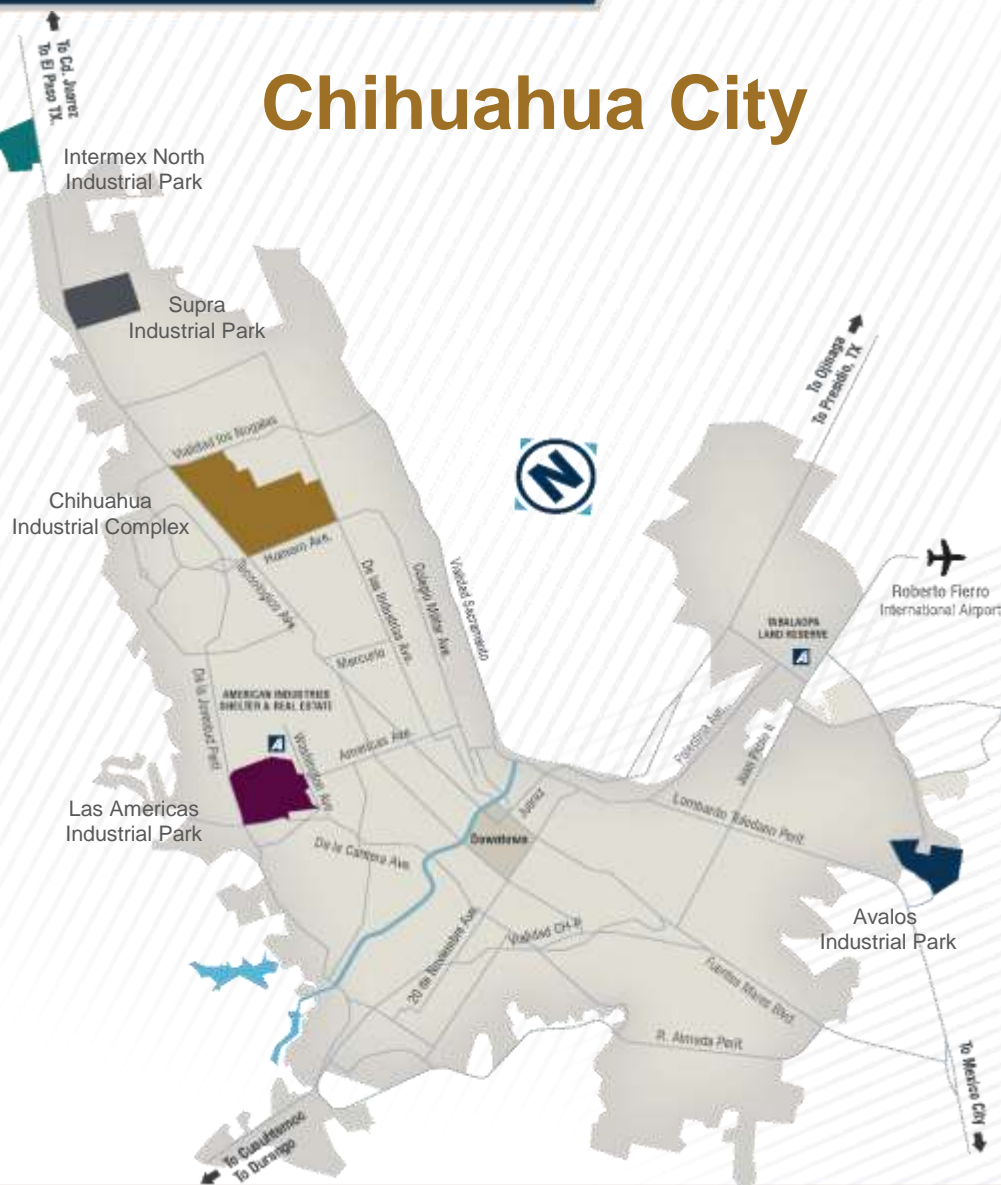


**Chihuahua's  
AEROSPACE  
Cluster**





## Chihuahua City



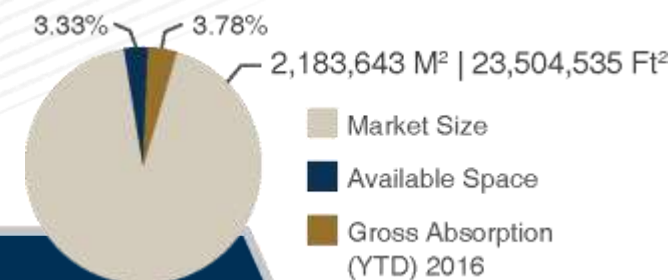
- **Area:** 9,219 km<sup>2</sup> (3,560 mi<sup>2</sup>)
- **Population:** 900,000 Inhabitants
- **Elevation:** 1,415 m. (4,635 ft.)
- **Avg. Temp.:** 11°C – 26°C (52°F - 79°F)
- **Distance to El Paso TX:** 382 km(238 mi)
- **FTL Cost:** \$800 USD (CHIH-ELP)
- **IMMEX Companies:** +105
- **Manufacturing employment:** +106,000
- **IMMEX Employment:** +75,000

### Wages

	Total Cost (USD/Hr)	
Unskilled Labor	Min	\$2.19
	Max	\$4.83
Skilled Labor	Min	\$2.46
	Max	\$5.64

### Real Estate (Q4 2016):

Market Size (# of buildings)		262
	USD/M <sup>2</sup> /Month	USD/Ft <sup>2</sup> /Month
Avg. Lease Rate	\$4.52	\$0.42



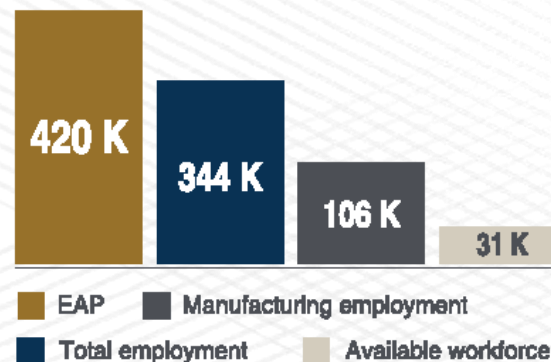
## The Chihuahua advantage:

### Proximity to market



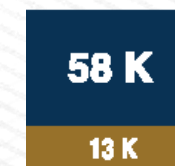
## Talent & Cultural affinity

### Labor

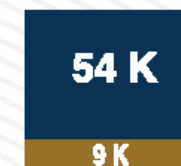


### Education (2016)

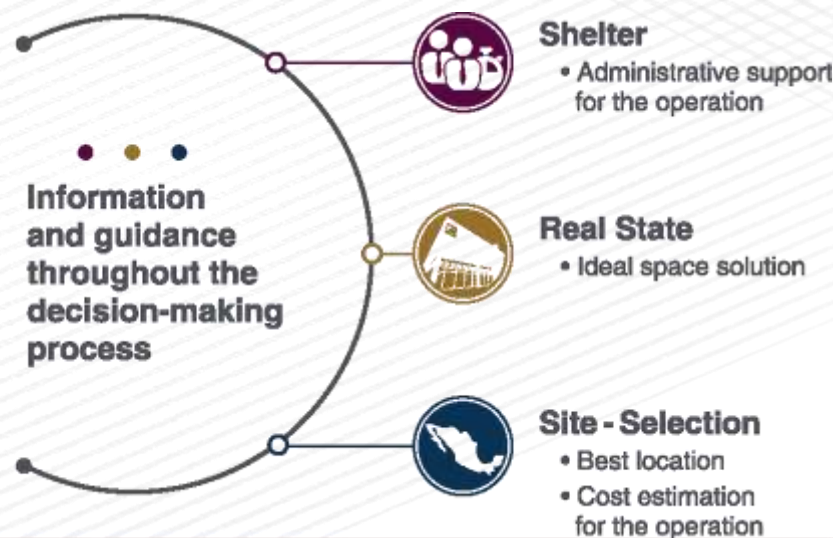
#### Technicians:



#### Graduates:



## Trusted & supportive business partners



### Productivity / Attractive business costs



- Preferential access to foreign markets. Strategic geographical location: 800 miles of land border with the US.
- Highly trained and competitive labor force (skilled, low cost, management talent and cultural affinity).
- Presence of major corporations and OEM's in the following sectors: Automotive, electronics, aerospace, household appliances, medical devices, metal mechanic, IT, textile, among others).
- Advanced manufacturing "know-how".
- "Just in time" business culture experience with North America and Europe.
- World class-infrastructure: water supply, electric power for industrial use, education institutions network with international universities, access by air, train, highways between Mexico and the US.
- Design and research centers, bilingual and bicultural work force.
- Sustainable and long-term incentives and support programs by the State Government, as well as intermediate with Local and Federal Government.
- Stable labor environment (union free).

**HOME TO OVER 550  
MANUFACTURING OPERATIONS**

-





**FLEXTRONICS** PEGATRON  
Honeywell wistron Inventec  
PHILIPS PLEXUS FOXCONN



 **BOSCH**











 **DELPHI**  **LEAR**  
YAZAKI   
Continental TRW



 **Electrolux**





Beechcraft  
Cessna  
Textron Aviation  
Lawler



SAFRAN  
Labinal Power Systems



**Honeywell**



**L3**  
communications



**TEXTRON** International  
M E X I C O



*Fokker*





**TRW**

JOHNSON  
CONTROLS



**HANSUH**  
AUTOMOTIVE MEXICO

**LEAR**  
CORPORATION

**TRW**

ZODIAC  
AFROSPACE

**EZ AIR**

**Soisa**



**3M** Innovation

**Cirpro**  
Delicias S.A. De C.V.

**CRITIKON**  
VITAL ANSWERS™

**Cordis**

**CardinalHealth**  
**Sterigenics**

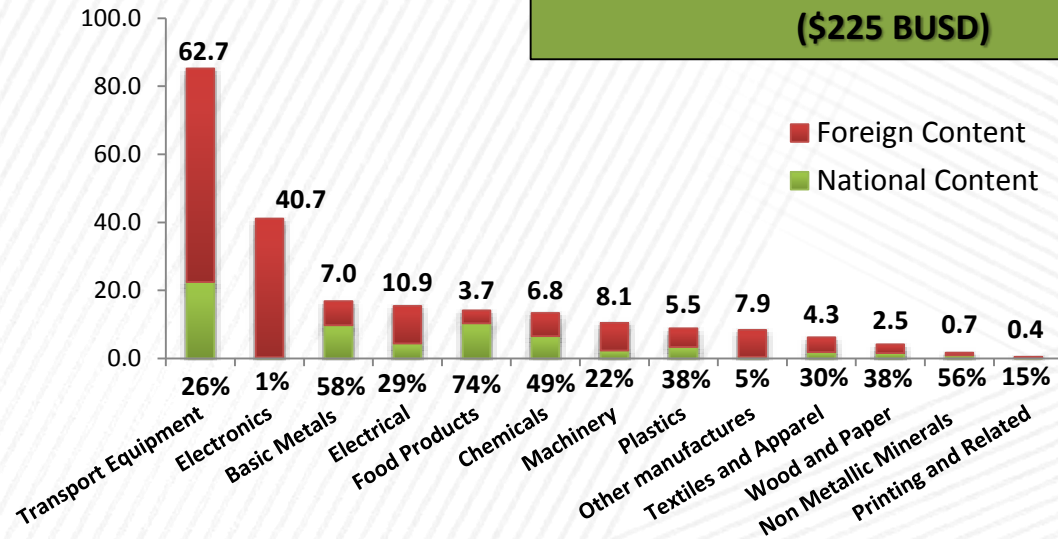


**RUSSELL  
ATHLETIC**

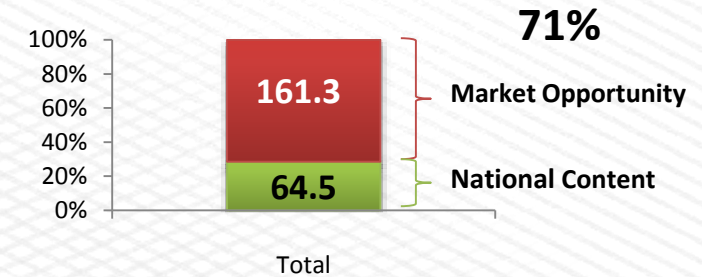
**Wrangler**

# Supply Chain: Excellent business opportunities

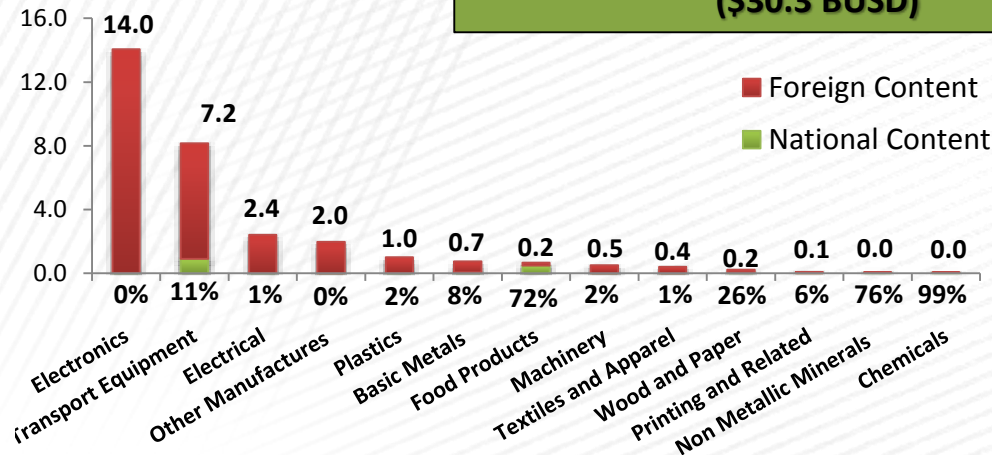
## OPPORTUNITIES IN THE COUNTRY (\$225 BUSD)



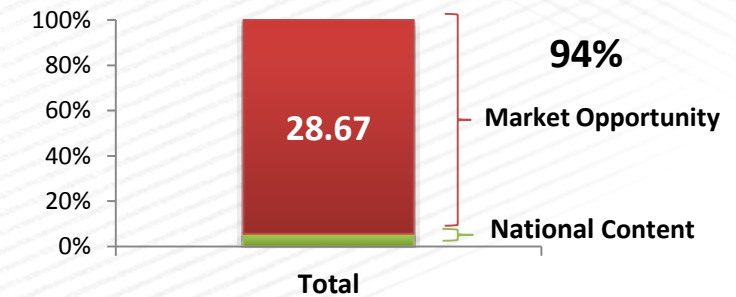
**225.8 BUSD**



## OPPORTUNITIES IN THE STATE (\$30.3 BUSD)



**30.3 BUSD**



Source: State Government analysis based on data from INEGI.



# ***Thank You!***



***American Industries***

**Rogelio Vazquez**

*Shelter Director*

*rvazquez@aiig.com*

Mexico: +52 614 4393669

Mobile: +52 1 614 1964563

**Adan Gomez**

*Business Development Manager*

*adangomez@aiig.com*

Mexico: +52 614 4393634

Mobile: +52 1 614 4274076

**Jose Fuentes**

*Business Development*

*jfuentes@aiig.com*

Mexico: +52 614 4393658

Mobile: +52 1 614 1602726

US Toll Free Number: +1 877 6983905