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Mexico continues attracting global Investment

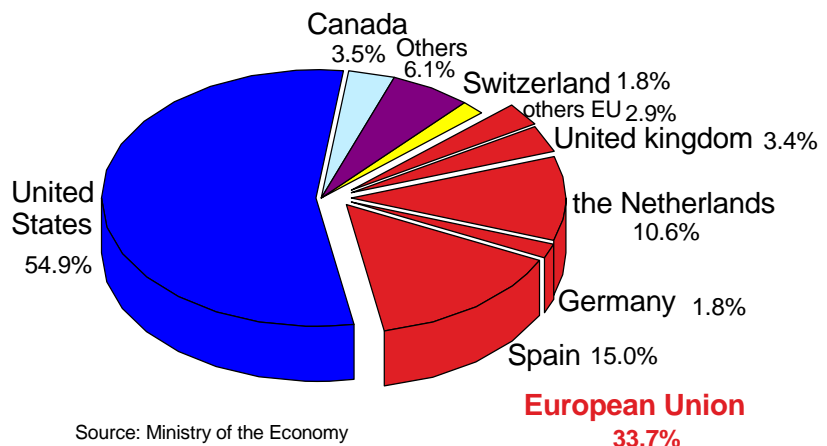
During 2008, despite the global economic slowdown performance, Mexico received US\$18.6 billion of Foreign Direct Investment (FDI), consolidating Mexico as one of the top recipients of FDI among emerging economies in the world.

Although in the 1980's Mexico received an average US\$3 billion in direct investment flows annually, this amount has multiplied by seven, reaching an annual average of US\$22 billion since 2000, year of the entry into force of the Free Trade Agreement (FTA) between Mexico and the European Union (EU). Between 1999 and 2008, FDI in Mexico has registered an accumulated amount of US\$212.1 billion. As of December 2008, a total of 40,180 firms with foreign participation were registered in Mexico.

By its country of origin, the United States represents the most important source of FDI in Mexico, accounting for approximately 55 percent of these capital inflows; followed by Spain, the Netherlands, Canada and United Kingdom which have participated with 15, 10.6, 3.5 and 3.4 percent, respectively, of the FDI received in Mexico. All together, the EU had a market share of 33.7% of the total FDI in Mexico.

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FDI in Mexico
1999 - 2008 (by origin) %



Source: Ministry of the Economy

Mexico continues attracting global Investment

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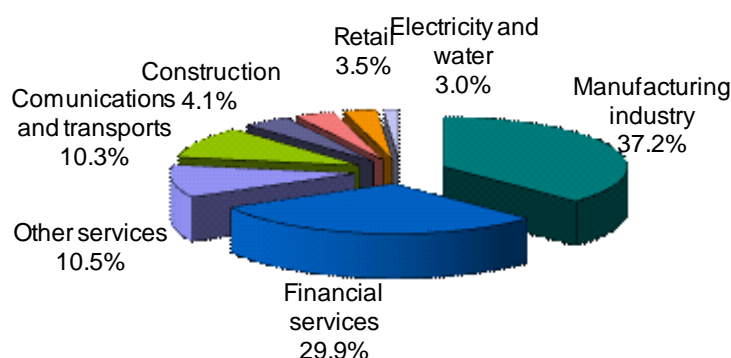
From an industry perspective, Mexico's heavy and light manufactures industries and the financial services sector top among the most preferred investment targets. Among the manufactures sectors the main recipients are automotive, iron and steel, beverages and chemicals.

EU's Foreign Direct Investment in Mexico

The EU has strengthened its position as an investor in Mexico. Since the entry into force of the FTA between both parties, EU's investment in Mexico has grown considerably reaching an accumulated amount of US\$71.4 billion between 1999 and 2008. By December 2008, 9,083 companies with EU capital were operating in Mexico.

The EU has invested US\$81.6 billion of FDI in Mexico in the period 1994-2008, but most of this investment, US\$67.5 billion, took place between 2000 and 2008. Under the Mexico-EU FTA, FDI flows to Mexico have averaged US\$ 7.5 billion annually – greater than the US\$ 2.3 billion annual flow it had previous the FTA.

FDI of the European Union in Mexico (by sector)



More than 37 percent of these investment flows concentrate on manufacturing activities, which have helped transform Mexican industry.

Final remarks

Mexico's economic performance has increased global attractiveness for investing in the country. Consistently, Mexico has climbed positions among preferred investment destinations. By providing the certainty and predictability that investors need to do business, Mexico has turned into a competitive location for global FDI. In the last years, Mexico has become one of the largest recipients of FDI among emerging markets, and today, no major international investment in the Americas takes place without considering Mexico in its strategic planning.

Further to the preferential access to the most important markets of the world provided by its FTAs network, Mexico has also developed a solid legal framework to host these capital flows, including Bilateral Investment Treaties (BIT's) with 16 of the Member State of the EU (Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom), as well as Switzerland, Iceland and Belarus in Europe; Argentina, Cuba, Panama and Uruguay in Latin America; and China, India and South Korea in Asia.

It is worth highlighting that the quality of the FDI received in Mexico has been a key factor in the transfer of state-of-the-art and environmental friendly technology, which together with the mexican skilful labour force, have enhanced productivity in Mexico.

For more information visit:

<http://www.economia.gob.mx/?P=1156>

Mexico's Total Trade in January (billion US\$)			
	2008	2009	%
Total	46.6	32.0	-31.3
Exports	22.2	15.2	-31.3
Exports (excluding oil)	18.0	13.3	-26.2
Imports	24.4	16.8	-31.3

Source: Banco de México

Mexico's Trade with EU and EFTA (million US\$)			
January - January	2008	2009	%
Exports to the EU	1,526.8	765.5	-49.9
Imports from the EU	2,966.0	2,231.1	-24.8
Exports to the EFTA	64.8	68.3	5.4
Imports from the EFTA	122.1	94.5	-22.5

Source: Banco de México

New investments in 2009

PepsiCo reveals US\$ 3 billion investment plan

U.S. food and beverage maker PepsiCo plans to invest some US\$3 billion over the next five years in its subsidiaries in Mexico, CEO Indra K. Nooyi said.

The announcement was made last February during the inauguration - presided over by Mexican President Felipe Calderon - of a new Gamesa-Quaker plant (one of PepsiCo's subsidiaries in Mexico). PepsiCo invested US\$100 million in this facility established in Celaya, Guanajuato, which will create 400 direct jobs and 682 indirect jobs.

The company currently has 22 plants and 670 distribution centers in Mexico. New plants also are being built in Mexico City and Monterrey at a cost of US\$20 million and US\$11.7 million, respectively, which will create more than 2,200 new jobs this year.

Sanofi-aventis will invest in Mexico

Sanofi-aventis will build a US\$140 million facility to manufacture influenza vaccine in Mexico. The announcement was made during a ceremony attended by Felipe Calderon, President of Mexico, and Nicolas Sarkozy, President of France, who was in Mexico for a State visit.

Upon completion within four years, the facility will have a yearly capacity of up to 25 million doses of seasonal influenza vaccine. The new plant will be built in Ocoyoacac, where Sanofi-aventis already operates a facility.

LEGO opens new factory in Mexico

In March 2009, LEGO opened its first assembly plant in Mexico, with an investment of US\$150 million, and which will generate a thousand jobs. Established in the state of Nuevo Leon, this plant will export US\$100 million to the U.S. market.

This facility is the first LEGO plant outside Europe; LEGO actually has manufacturing operations in Denmark, Czech Republic and Hungary.

Daimler Trucks opens second Mexican plant

Daimler Trucks North America (DTNA) officially opened the US\$300 million plant in Saltillo, Coahuila. The state-of-the-art plant has capacity to build 30,000 heavy-duty trucks annually. When in full production, the plant will employ about 1,600 line personnel and managers.

Meanwhile Daimler's suppliers invested an additional US\$125 million and generate 3,000 indirect jobs. More than 100 truck and auto parts suppliers are located in the area, and DTNA is recruiting to attract more.

The new facility also incorporates state-of-the-art environmental controls, including systems to recycle 90% of all materials, waste treatment and co-processing, and extensive use of natural light and solar controls to minimize electrical power requirements, according to DTNA.

The Saltillo plant joins DTNA's Santiago Tianguistenco unit near Mexico City, giving the company the capacity to produce 60,000 heavy-duty and medium-duty trucks south of the border. Andreas Renschler, Head of DT says Daimler built these two plants because Mexico is a growing market and is close to the United States. "In a very competitive environment, where can you put the most efficient production?" he says.

Lenovo launches a manufacturing plant

Lenovo Group, the world's fourth-largest PC manufacturer, plans to ramp up its PC production by spending US\$40 million on a new manufacturing plant in Monterrey, Mexico.

It will represent Lenovo's largest manufacturing investment outside of China, capable of producing five million PCs annually. It will employ 1,000 and supply computers to the Americas.

(Continues on page 4)

Mexico's Economic Indicators	
Inflation rate:	0.22% (February, 2009); 6.20 % (2009, annual)
Industrial Gross Domestic Product:	-11.1% (Jan. 2009 / Jan. 2008)
Manufacturing:	-14.9%; Construction: -8.5%, Mining: -3.3%
General Index of Economic Activity:	-2.41% (Dec. 2008 / Dec. 2007)
Consumer Confidence Index:	78.9 pts. (February 2009) -21.9 percentage points (February 2009 / February 2008)
Open unemployment rate:	5.30 % (Feb. 2009) Source: INEGI

Mexico's Financial Indicators	
Foreign exchange rate:	14.26 peso/dollar (March 24, 2009)
International reserves:	\$80,620 million dollars (March. 20, 2009)
Mexican stock market index (IPC):	20,242 (March. 24, 2009)
Interest rate treasury bonds CETES 28 days:	6.52 % (March 26, 2009) Source: Banco de Mexico

New investments in 2009

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Barry Callebaut opens Mexican chocolate plant

Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products, last January inaugurated its new state-of-the-art chocolate factory located in Monterrey. The investment amounted US\$ 40 million.

With an annual production capacity of around 100,000 tonnes, the new factory is Barry Callebaut's third largest chocolate factory worldwide. Patrick De Maeseneire, CEO of the Swiss company, said: "Our new chocolate factory in Monterrey, Mexico, will enable Barry Callebaut to move closer to its growing customer base of multinational and local food manufacturers in this region".

Kyocera inaugurated its second production facility

Mexican President Felipe Calderon assisted to the inauguration of Kyocera's second manufacturing plant in Tijuana, Mexico. This facility will produce solar modules with an investment of US\$33 million and it is part of the company's multiyear plan to expand its global manufacturing capacity.

Kyocera's new manufacturing plant provides 600 direct jobs and it has a maximum annual production capacity of 150 megawatts and will produce enough solar modules to equip 42,600 homes each year with 3.5-kilowatt solar electric generating systems.

Mexico's Official Gazette Notices

- **03/06/2009** Resolution accepting the request of interested party and declaring the beginning of the antidumping investigation for the nuts of stainless steel imports, from the People's Republic of China regardless of the shipping country. This product is classified under Tariff Item 7318.16.03 and 7318.16.04 of the General Imports and Exports Tariff Law.
- **04/02/2009** Preliminary resolution for the revision of countervailing duties imposed to the mushrooms of the genus agaricus imports from the People's Republic of China coming from Calkins & Burke Limited, regardless of the shipping country. This product is classified under Tariff Item 2003.10.01 of the General Imports and Exports Tariff Law.
- **06/02/2009** Decree enacting the Economic Cooperation Agreement between the Government of the United Mexican States and the Government of the Republic of Hungary, signed in Mexico City on October 22 2007.
- **17/02/2009** Agreement announcing the tariff quota to introduce loins of tuna to the European Community, originating in the United Mexican States.
- **23/02/2009** Agreement establishing the "Hecho en México" logo and the conditions for the granting of the authorization for its use.
- **25/02/2009** Preliminary resolution which concludes the revision and declares the elimination of the definitive countervailing duty imposed to the imports of methyl parathion from the Kingdom of Denmark, regardless of the shipping country. This product is classified under Tariff Item 2920.11.02 and 3808.50.01 of the General Imports and Exports Tariff Law.

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- **06/02/2009 L37** Commission Decision of 21 November 2008 on the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Republic of Chile concerning amendments to Appendix V of the Agreement on Trade in Wines annexed to the Association Agreement between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part.
- **07/02/2009 L38** Commission Regulation (EC) No 112/2009 of 6 February 2009 imposing a provisional anti-dumping duty on imports of wire rod originating in the People's Republic of China and the Republic of Moldova.
- **07/02/2009 L38** Commission Regulation (EC) No 113/2009 of 6 February 2009 concerning the use of certain traditional terms on labels for wine imported from the United States of America.
- **28/02/2009 L57** Council Decision of 20 November 2008 on the signature and provisional application of the interim agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part.

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