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March 2011  
Year 11, no. 3

## Foreign investment rebound in Mexico

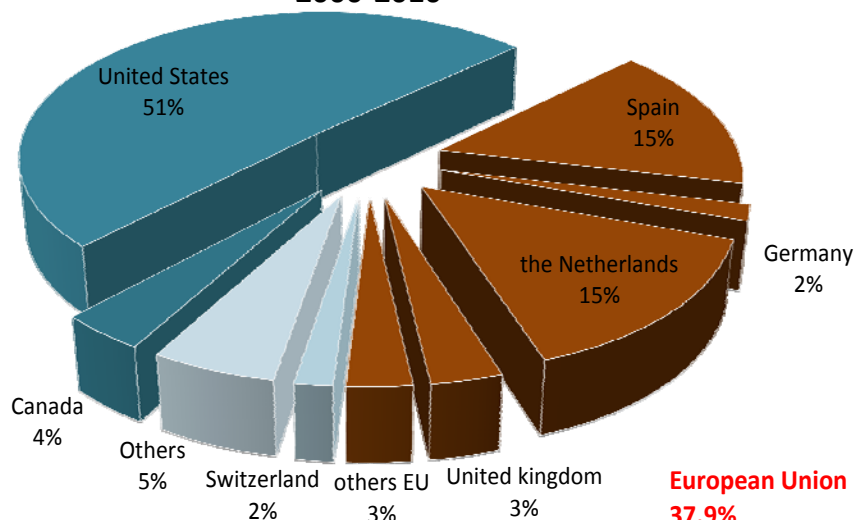
**D**espite the global economic crisis, in 2010 Mexico received 17.7 billion dollars of Foreign Direct Investment (FDI), consolidating Mexico as one of the top recipients of FDI among emerging economies in the world.

In the decade of the 80's, Mexico received an average of 3 billion dollars in direct investment flows annually. Currently, this amount has multiplied by seven, reaching an annual average of 22 billion dollars between 2000 and 2010, with which Mexico has registered an accumulated amount of 245.3 billion dollars.

As for the origin of this FDI, the United States and the European Union (EU) represent the most important sources of investment in Mexico, contributing respectively with 50.8% and 37.9% of capitals invested in Mexico since 2000. At an individual country level, Spain, the Netherlands, Canada and United Kingdom participate with 15.5%, 14.7%, 3.9% and 3.2% respectively in the FDI received by Mexico.

*(Continues on page 2)*

**FDI in Mexico  
2000-2010**



Source: Ministry of the Economy Mexico

# Foreign investment rebound in Mexico

(Continues from page 1)

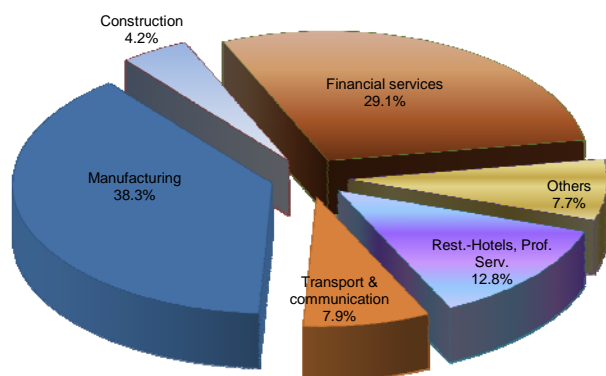
From a sectorial perspective, Mexico's manufacturing industry and the financial services sector top among the most preferred investment targets. Among the manufacturing sectors, the main recipients are automotive, iron and steel, beverages and chemicals.

## EU's Foreign Direct Investment in Mexico

The EU has strengthened its position as second investor in Mexico. Since 2000, year of the entry into force of the Free Trade Agreement between Mexico and the EU (MEUFTA), EU's investment in Mexico has grown considerably, at an annual average of 8.5 billion dollars (which compares favorably with 2.3 billion dollars annual flow reported previous to the Treaty).

Only in 2010, the EU invested in Mexico more than 11 billion dollars, which represents 63% of the total FDI received in that year. In fact, under MEUFTA, the EU has been the main investor in Mexico in three occasions (2004, 2007 and 2010). Consequently, the sum of the EU investment in Mexico reaches 93 billion dollars, accumulated between 2000 and 2010.

**FDI of the European Union in Mexico  
2000-2010**



Source: Ministry of the Economy Mexico

More than 38 percent of the EU investment in Mexico concentrates on manufacturing activities, among those stand out beverage, automotive and food industries.

## Final remarks

In the context of the current world economic crisis, Mexico put on test its strong structural bases, reaching in 2010 an impressive rate of 5.5% of economic growth. With it, Mexico consolidates as a stable and competitive economy for global investment.

Futhermore, Mexico offers legal security required by international investors. Together with its network of Free Trade Agreements which provides a guaranteed preferential access to the most important markets in the world, Mexico has established several Bilateral Investment Treaties (BIT's) with several countries, such as:

- In Europe, with 16 of the EU Member States (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 Latin America and the Caribbean, with Argentina, Cuba, Panama, Uruguay and Trinidad and Tobago.
- In Asia and Oceania, with China, India, South Korea and Australia.

For more information regarding foreign direct investment in Mexico, please visit:

[www.economia.gob.mx/swb/es/economia/p\\_Estadisticas\\_sobre\\_IED](http://www.economia.gob.mx/swb/es/economia/p_Estadisticas_sobre_IED)

Mexico's Total Trade in January (billion US\$)			
	2010	2011	%
<b>Total</b>	38.8	49.1	26.6
<b>Exports</b>	19.2	24.6	28.2
<b>Exports (excluding oil)</b>	16.1	20.2	25.8
<b>Imports</b>	19.6	24.5	24.9

Source: Banco de México

Mexico's Trade with EU and EFTA (million US\$)			
January	2010	2011	%
<b>Exports to the EU</b>	919.8	1,337.6	45.4
<b>Imports from the EU</b>	2,270.1	2,617.0	15.3
<b>Exports to the EFTA</b>	70.3	150.1	113.4
<b>Imports from the EFTA</b>	131.6	123.8	-5.9

Source: Banco de México

## More investments in Mexico

### GE inaugurates new R&D Center in Mexico

The President of Mexico, Felipe Calderón Hinojosa, and the CEO of General Electric, Jeffrey R. Immelt, inaugurated the Campus "General Electric Infrastructure Queretaro", one of the country's most important research and technological development centers, dedicated to the design of turbines, both for airplanes and electric power generation.

This new facility represents an investment of \$24 million dollars and its opening is part of General Electric's celebrations of its 115 years in Mexico. By 2015, it is expected that the company injects another \$20 million dollars to this infrastructure in order to enhance its capacity.

This complex, unique in its type in Latin America, is dedicated to design components such as GENx turbine, used in the Boeing 787 airplane, which has the capacity to reduce fuel consumption by up to 20%. Additionally, parts for the Airbus 380 are also developed in this center, among other important projects.

### Magna expands presence in Mexico

The Canadian company Magna International, the world's most diverse automotive parts supplier, announced its plans to invest more than \$100 million dollar in a new state-of-the-art facility, in the Mexican State of San Luis Potosi, in order to produce stamped and welded assemblies for various automakers.

The announcement followed a meeting between Felipe Calderon, President of Mexico, and Don Walker, CEO of Magna, highlighting that the Magna's strategic decision to expands operations in Mexico is part of its long term global plan of developing in key markets. The plant will start operations by June 2012 and will employ around 700 people.

Currently, Magna International has 29 manufacturing facilities in Mexico and two engineering and sales offices where 15,900 employees work.

### Holcim Apasco opens new plant in Mexico

The firm Holcim Apasco, subsidiary of Swiss company Holcim, opened a new cement plant in the Mexican State of Sonora, for which it made an investment of \$400 million dollars and generated 10,000 temporary jobs and 600 permanent.

The factory has a capacity to produce around 600,000 tons of high quality cement annually, and it is characterized by an optimal use of both thermal and electric energy. Additionally, it incorporates state of the art technology and innovation in its three milling systems for high performance cement, with the newest systems for production and control.

In the event, the CEO of Holcim, Markus Akermann, indicated that "with this modern facility, the company will strengthen its leadership and competitive position in the country".

This is the seventh industrial complex that Holcim Apasco opens in Mexico, as it already have cement factories in the states of Colima, Coahuila, Guerrero, Tabasco, Veracruz and Estado de México.

### Eurocopter announced a new plant in Mexico

The Franco-German-Spanish Group Eurocopter, the world's leader helicopter producer, announced an investment of around \$550 million dollar in a new plant for components and systems for helicopters and airplanes which will be located in the Mexican State of Queretaro.

In this new Eurocopter plant, that will be ready to operate at the end of 2012 and will create approximately 100 high-skilled jobs, it will be manufactured helicopter's tailcones and vertical stabilizers, as well as door structures, which will be incorporated in the new aircraft produced by the EADS Group (European Aeronautic Defence and Space).

Eurocopter has a subsidiary in Mexico since 1982, currently counting with 190 employees providing services to a 400 helicopters fleet in Mexico and other 25 countries in Latin America and the Caribbean.

#### Mexico's Economic Indicators

**Inflation rate:** 0.38% (February, 2011);  
3.57% (2011, annual)  
**Industrial Production:** 6.6% (Jan. 2011 / Jan. 2010)  
**Manufacturing:** 8.8%; **Construction:** 8.3%, **Mining:** -1.9%  
**Global Index of Economic Activity:** 5.85% (Jan. 2011 / Jan. 2010)  
**Consumer Confidence Index:** 92.3 pts. (February 2011)  
11.6 percentage points (February 2011 / February 2010)  
**Open unemployment rate:** 5.38 % (Feb. 2011) *Source: INEGI*

#### Mexico's Financial Indicators

**Foreign exchange rate:** 11.95 peso/dollar (March 24, 2011)  
**International reserves:** \$122,052 million dollars (March 18, 2011)  
**Mexican stock market index (IPC):** 36,872 (March 24, 2011)  
**Interest rate treasury bonds CETES 28 days:**  
4.30 % (March 24, 2011)

*Source: Banco de Mexico*

## Mexico's Official Gazette Notices

- **02/02/2011** Final resolution of the sunset review of the countervailing duty order imposed on imports of carbon steel connections for butt-welding originating from China, regardless of the shipping country. This merchandise is classified, according to the Mexican Custom Tariff Schedule, under item 7307.93.01.
- **02/02/2011** Final resolution of the sunset review of the countervailing duty order imposed on imports of sodium hexametaphosphate originating from China, regardless of the shipping country. This merchandise is classified, according to the Mexican Custom Tariff Schedule, under item 2835.39.02.
- **03/02/2011** Decree announcing the Agreement between Mexico and the Netherlands on exchange of information on tax matters in relation to the Netherlands Antilles signed in Mexico City on September 1, 2009.
- **16/02/2011** Agreement establishing the National Advisory Committee for a Comprehensive Management of Chemical Substances, Persistent Organic Pollutants and Hazardous Waste subject to environmental international agreements.
- **24/02/2011** Final resolution of the antidumping investigation on imports of seamless steel line pipe originating from China, regardless of the shipping country. This merchandise is classified, according to the Mexican Custom Tariff Schedule, under items 7304.19.02, 7304.19.99, 7304.39.06 and 7304.39.99.

## EU Official Journal

- **02/02/2011 L028** Council Implementing Regulation (EU) No 82/2011 of 31 January 2011 imposing a definitive anti-dumping duty on imports of okoumé plywood originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 and terminating a partial interim review pursuant to Article 11(3) of Regulation (EC) No 1225/2009
- **11/02/2011 L037** Commission Regulation (EU) No 118/2011 of 10 February 2011 imposing a provisional anti-dumping duty on imports of certain ring binder mechanisms originating in Thailand
- **12/02/2011 L038** Agreement on certain aspects of air services between the European Union and the United Mexican States
- **17/02/2011 L043** Commission Regulation (EU) No 138/2011 of 16 February 2011 imposing a provisional anti-dumping duty on imports of certain open mesh fabrics of glass fibres originating in the People's Republic of China
- **18/02/2011 L044** Commission Regulation (EU) No 143/2011 of 17 February 2011 amending Annex XIV to Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals ('REACH')
- **18/02/2011 L044** Commission Regulation (EU) No 144/2011 of 17 February 2011 amending Regulation (EU) No 206/2010 laying down lists of third countries, territories or parts thereof authorised for the introduction into the European Union of certain animals and fresh meat and the veterinary certification requirements

**Mexico-EU Trade Links** is a monthly informational newsletter published by the Mexican Mission to the EU, Representative office of the Ministry of the Economy. Av. Franklin Roosevelt 94, 1050, Brussels, Belgium.

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