



# TRADE LINKS

## LAZOS COMERCIALES

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## Mexico continues attracting foreign investment

**D**espite the global economic crisis, in 2011 Mexico received almost 20 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 annual average of 3 billion dollars in direct investment flows. Currently, this amount has multiplied by seven, reaching an annual average of 22.8 billion dollars between 2000 and 2011, with which Mexico has registered an accumulated amount of 273.4 billion dollars.

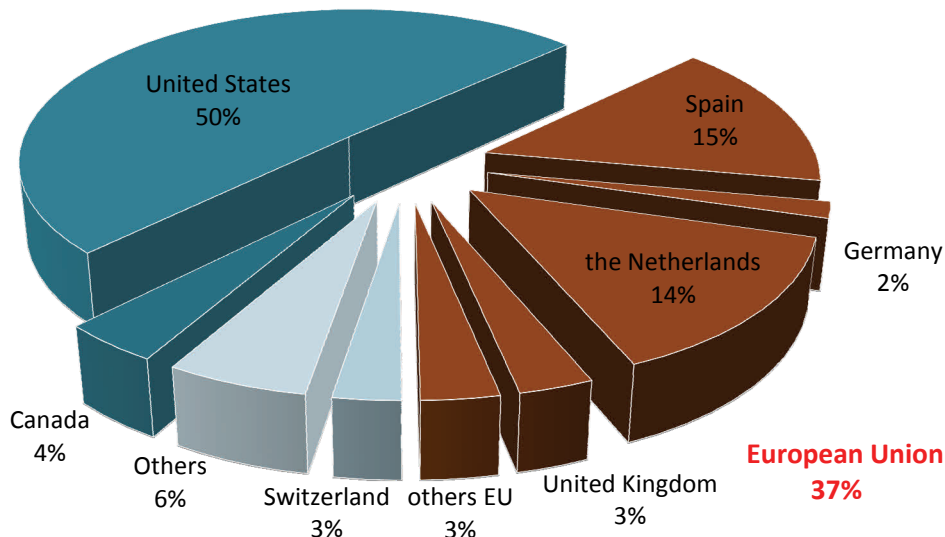
As for the origin of this FDI, the United States (US) and the European Union (EU) represent the most important sources of investment in Mexico, contributing respectively with 50.4% and 37.1% of capitals invested in Mexico since 2000. At an individual country level, Spain, the Netherlands, Canada and United Kingdom participate with 15.1%, 14.2%, 4.0% and 3.0% respectively in the FDI received by Mexico.

*(Continues on page 2)*



March 2012  
Year 12, no. 3

**FDI in Mexico  
2000-2011**



Source: Ministry of the Economy Mexico

# Mexico continues attracting foreign investment

(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 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), European investment in Mexico has grown considerably, at an annual average of 8.4 billion dollars (which compares favorably with 2.3 billion dollars annual flow reported previous to the Treaty).

Only in 2011, the EU invested in Mexico 5.3 billion dollars, which represents 28% 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 101.3 billion dollars, accumulated between 2000 and 2011.

Almost 40% of the EU investment in Mexico concentrates on manufacturing activities, among those stand out beverage, automotive and food sectors.

## Final remarks

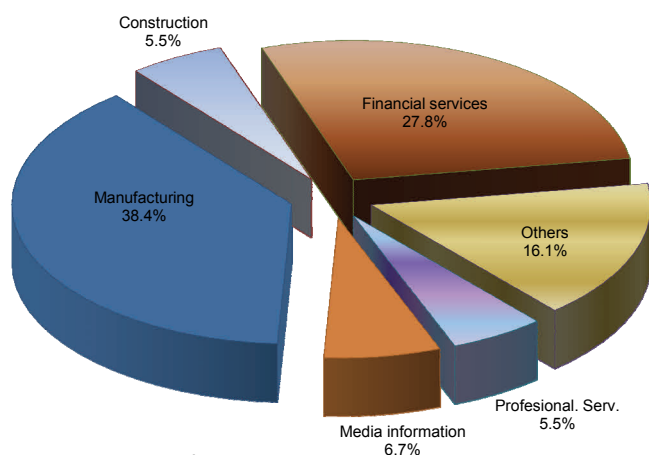
In the context of the current world economic crisis, Mexico put on test its strong structural bases, reaching in 2010 an impressive rate of 5.5% of economic growth and almost 4% in 2011. With it, Mexico consolidates as a stable and competitive economy for global investment.

Furthermore, Mexico offers the 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 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, Singapore and Australia.

## FDI of the European Union in Mexico

2000-2011



Source: Ministry of the Economy Mexico

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

<http://www.economia.gob.mx/comunidad-negocios/inversion-extranjera-directa/estadistica-oficial-de-ied-en-mexico>

## Mexico's Total Trade in January (billion US\$)

	2011	2012	%
<b>Total</b>	49.2	54.8	11.4
<b>Exports</b>	24.7	27.3	10.5
<b>Exports (excluding oil)</b>	20.2	22.7	12.0
<b>Imports</b>	24.5	27.5	12.3

Source: Banco de México

## Mexico's Trade with EU and EFTA (million US\$)

January	2011	2012	%
<b>Exports to the EU</b>	1,375.7	1,676.5	21.9
<b>Imports from the EU</b>	2,617.0	2,975.9	13.7
<b>Exports to the EFTA</b>	150.0	93.9	-37.4
<b>Imports from the EFTA</b>	123.8	160.5	29.6

Source: Banco de México

## More investments in Mexico

### Nissan increases its production in Mexico

Nissan Motor announced its investment plans of \$2 billion dollars (bd) to build a new advanced manufacturing complex in the Mexican State of Aguascalientes.

The first stage of this new facility will begin operations at the end of 2013 with a production capacity of more than 175,000 vehicles, creating more than 3,000 direct employments, along with 9,000 indirect jobs. Thus, Nissan will have three plants in Mexico and approximately 13,500 employees.

In 2011, Nissan celebrated its record of production with more than 600,000 vehicles assembled in its Mexican plants. With this new investment, Nissan will be prepared to produce, in the medium term, one million units annually in Mexico.

### Honda to install new plant in Mexico

Honda announced the construction of a new plant in Mexico for the production of subcompact vehicles, which represents an investment of \$800 million dollars (md) and an additional production capacity of 200,000 units per year to be oriented to the Mexican and North American Market.

This new Honda facility in Mexico will begin operations in 2014, employing approximately 3,200 associates. It will be located in the State of Guanajuato and will be additional to the two existing facilities in the State of Jalisco.

### Coca cola increases its investment in Mexico

In the framework of the World Economic Forum that took place in Davos, Switzerland, the President of Mexico, Felipe Calderón, held a meeting with the CEO of Coca-Cola, Muhtar Kent, who presented its expansion plans in Mexico, including a new investment of \$1 bd during 2012, as part of a total investment estimated in \$5 bd for the following years.

Coca-Cola has created 10,000 jobs in Mexico during the last five years and expects to generate 10,000 additional jobs in the next five years.

### Ferrero Group to open a chocolate factory in México

The Italian conglomerate Ferrero Group announced its \$190 md investment to build a chocolate manufacturing plant in San José Iturbide, Guanajuato, where it will create 500 direct jobs.

In the presence of the President of Mexico, Felipe Calderón, the CEO of Ferrero Group for the Americas, Australia and the United Kingdom, Giuseppe D'Angelo, reported that this new manufacturing plant will supply the markets of United States, Canada, Mexico and Central America.

Ferrero Group is the fourth worldwide candy producer and the third for chocolate, and its global sales exceeded 7 billion euros in 2011.

### Ericsson opened in Mexico its first global service center in the Americas

Ericsson, a Swedish global company, invested \$20 md in its Global Services Center (GSC) located in Mexico City. It will serve, through a highly skilled staff, both local and international clients, offering remote services in areas such as technical support, software application, integration, design, optimization, operation and telecommunication network management.

This is Ericsson's only center in the American Continent and its fourth worldwide.

### Mazda and Sumitomo to establish an automotive plant in Mexico

Mazda and Sumitomo started the construction of a new facility in Mexico for the joint production of engines and vehicles, with an investment of \$500 md, and in which the new generation of Mazda 2 and Mazda 3 models will be produced.

This new manufacturing plant, located in Salamanca, Mexico, will start operations in the fiscal year that begins in April 2014, with a production capacity of 140,000 units per year. This facility will be crucial to Mazda's expansion plans in Central and South America.

#### Mexico's Economic Indicators

<p><b>Inflation rate:</b> 0.20% (February, 2012); 3.87% (2012, annual)</p> <p><b>Industrial Production:</b> 4.2% (Jan. 2012 / Jan. 2011) <b>Manufacturing:</b> 5.6%; <b>Construction:</b> 4.8%, <b>Mining:</b> -1.3%</p> <p><b>Global Indicator of Economic Activity:</b> 3.51% (Dec. 2011 / Dec. 2010)</p> <p><b>Consumer Confidence Index:</b> 93.6 pts. (February 2012) 1.4 percentage points (February 2012 / February 2011)</p> <p><b>Open unemployment rate:</b> 4.90 % (Jan. 2012)</p>	<p>Source: INEGI</p>
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#### Mexico's Financial Indicators

<p><b>Foreign exchange rate:</b> 12.63 peso/dollar (March 9, 2012)</p> <p><b>International reserves:</b> \$148,848 million dollars (March 2, 2012)</p> <p><b>Mexican stock market index (IPC):</b> 37,691 (March 9, 2012)</p> <p><b>Interest rate treasury bonds CETES 28 days:</b> 4.27 % (March 8, 2012)</p>	<p>Source: Banco de Mexico</p>
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## Mexico's Official Gazette Notices

- **01/02/2012** Agreement that publicizes the preferential import tariff rate for the merchandises originating from Peru, as of February 1st, 2012.
- **01/02/2012** Regulation on Origin Certification established by the Free Trade Agreement between Mexico and Peru.
- **03/02/2012** Notice announcing the public consultation on the cancellation of certain Mexican Standards.
- **14/02/2012** Notice that publicizes the entry into force, between Mexico and Argentina, of the Third and Fourth Additional Protocol to the Economic Complementation Agreement No. 55 established between Mexico and MERCOSUR.
- **17/02/2012** Final determination of the antidumping investigation on imports of graphite electrodes for electric furnaces originating from China regardless of shipping country (Mexican tariff item 8545.11.01).

## EU Official Journal

- **8/02/2012 L035** Council Decision of 23 January 2012 on the position to be taken by the European Union within the EU-Chile Special Committee on Customs Cooperation and Rules of Origin relating to Annex III to the Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, concerning the definition of the concept of originating products and methods of administrative cooperation
- **10/02/2012 L037** Commission Regulation (EU) No 109/2012 of 9 February 2012 amending Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards Annex XVII (CMR substances)
- **15/02/2012 L041** Commission Implementing Regulation (EU) No 126/2012 of 14 February 2012 amending Regulation (EC) No 889/2008 as regards documentary evidence and amending Regulation (EC) No 1235/2008 as regards the arrangements for imports of organic products from the United States of America
- **24/02/2012 L052** Council Decision of 14 February 2012 on the position to be taken by the European Union within the General Council of the World Trade Organization on the request for a WTO waiver on additional autonomous trade preferences granted by the European Union to Pakistan
- **29/02/2012 L057** Council Decisions (3) of 14 December 2011 on the signing, on behalf of the Union, and provisional application of the Agreement between the European Union and the Government of the Russian Federation on:
  - trade in parts and components of motor vehicles between the EU and the Russian Federation;
  - the preservation of commitments on trade in services contained in the current EU-Russia Partnership and Cooperation Agreement;
  - the introduction or increase of export duties on raw materials

**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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