



Doing Business in Mexico

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NAFTA



- Fifteen years ago the Free Trade Agreement of North America (NAFTA) went into effect

Objectives

- To increase the foreign commerce with United States and Canada
- To attract a bigger amount of direct foreign investment of these and other countries.





Trade in NAFTA



- From 1994 to 2008, the average yearly growth of the total trade of Mexico with United States and Canada was of 21%.
- In almost 15 years the global advance in the total trade of our country with the other member countries of the NAFTA was increased in 300% approximately, overcoming the 400 thousand billions in 2008.





Trade United States



- The nation that absorbed 97% of our exports inside the NAFTA in 2008. In the last 15 years USA consolidated its position like commercial member in opposition to Canada
- In the total trade of Mexico with the world, United State participates with 65%.
- About of the imports, USA inside the NAFTA represents 95% and at world level 51%.





Textil Sector



- The Mexican textile sector has been one of the most favored with the commercial opening. Nevertheless, starting from 2001 the exportation decrease. This consequence fundamentally for the deterioration of the competitiveness of Mexico in front of other big world exporters as China, besides other factors like the finalization in 2005 of the period of transition for the total elimination of the system of textile quotas agreed in the Ronda from Uruguay of the GATT (WTO)



Metallic products, machinery and equipment



- The trade of the metallic products, machinery and equipment has been increased significantly, with a balance in the trade balance during the year in course bigger 25 times that the stock of record in 1993. It highlights the successful acting of the automobile sector and autoparts; electric and electronic sector





Foreign Investment

Direct



- 50% of the FDI in the region of North America is intra-regional, approximately. USA is the main investor in our country. It is clear that the NAFTA made the incentives so that as much American companies relocate operations in Mexico with the advantages in resources and employments.





Economic situation of Mexico City



- Mexico City, being the capital of the Mexican Republic, is the center of political, administrative, economic and financial decisions of the country.



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Economic situation of Mexico City



- It is the main center of manufacturing production of Mexico, where the greater amount and variety of commercial activities and services are developed, and as much of consumption and distribution, to take care of a population of more than 8,5 million inhabitants and more than 342 thousand companies, of which 81% are of the commercial and services sectors.
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Economic situation of Mexico City



- These companies produce 24% of the Gross Internal Product of the Country, according to the Economic Censuses of 2004.
- In addition, the Metropolitan Zone of the Valley of Mexico represents a market of more than 18,5 million inhabitants.



Economic situation of Mexico City



- In Mexico City is fundamental the promotion of economic activities that contribute to increase the opportunities of individual, familiar and social development of their inhabitants, as well as job offering, the distribution of income and the conservation of the environment.



Economic situation of Mexico City



- With basis in the development of its human and social capital and the optimal advantage of the opportunities that innovation and technology provide, Mexico City is consolidating national and internationally as a prosperous, competitive and sustainable economy.





Strategic sectors in Mexico City



- Financing
- Communications
- Tourism
- Production of high technology
- Education and Research
- Health
- Culture



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Technology



- In the 2007-2012 Agenda of Technological Development diverse subjects that can be opportunities of investment for the foreign manufacturer are settled down.
- Among these subjects are urban development, ecology, economy and innovation, education, energy, finances, environmental, among others.





Other opportunities of investment



Manufacturing:

- Elaboration of dairy and bakery products, dressing goods confection, editorial and related industries, pharmaceutical products, plastic, soap and beauty related products manufacturing.



Commerce

- Wholesale trade of food and groceries, raw materials, furniture and equipment; as well as retail trade of food, clothes and articles of stationery store



Services

- Tourism, telecommunications, banking, insurance, health and restaurant services are available.





Cultural Differences



- The average mexican business executive will spend most of the time discussing general topics, waiting for the final moments of conversation to bring up the matter at hand.
- In Mexico's typical business culture meetings start off slowly.



- The first contact is very difficult, especially when the american try to contact by phone
- Language
- YOU MUST BE PATIENT



Thanks

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