Arab Mexican Chamber of Industry & Commerce

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Monthly Bulletin *July 2016*

Mexican Business News

Mexico and Saudi Arabia sign labor agreement

July 14, 2016. The Secretariat of Labor and Social Welfare of Mexico (STyPS) and the Ministry of Labour of Saudi Arabia signed a Memorandum of Understanding to establish a legal framework for cooperation in employment.

In the framework of the Meeting of Ministers of Labor and Employment of the G-20, in China, the head of the STyPS, Alfonso Navarrete Prida said the document envisages activities related to human resources, safety and health at work, solution of labor disputes and information and labor market statistics.

According to a press release, this memorandum signed with Minister Mofarrej Al-Hoqubani, which led to a bilateral meeting between the two officials, includes the exchange of information, documents, experiences, joint development of conferences, seminars, workshops and consultations between experts.

Navarrete Prida said the memorandum will reveal best practices, advances and industrial innovations.

Minister Mojarref Al-Hoqubani said in turn that this document will show the formalization of employment programs and proposals for innovation that apply in labor law in Mexico.

Meanwhile, the Mexican Labor Secretary held other bilateral meetings with his counterparts from Spain, and the UK where the labor agenda was discussed at the global level.

With Minister of Labor and Social Security of Spain, Fátima Báñez García, the Mexican official followed up on the actions currently being developed under the Memorandum of Understanding on Labor Matters signed between the two countries in 2014.

That cooperation instrument committed both sides to develop mechanisms on inspection of the workplace, health and safety at work, youth employment, professional certificates and recognition of professional skills.

Navarrete Prida and Báñez García also analyzed the results of the cooperation project on inspection of workplaces between Spain and Mexico, developed last year.

The initiative addressed issues related to ergonomic factors, psychosocial risks and workplace violence and formalization of employment.

In the match between Navarrete Prida and Secretary of State for Employment from the United Kingdom, Priti Patel, they discussed issues such as the relevance of implementing integrated public policies to boost economic growth, from the development of the labor force and the promotion of entrepreneurship as employment generating mechanisms.

For Mexico, strengthening the ties of bilateral collaboration provides a unique opportunity to meet and learn from the experiences, Navarrete Prida said.

Minister Patel reaffirmed his country's readiness to work together with Mexico to strengthen close cooperation on labor matters.

Source: El Universal

Michelin to build $510M plant in Mexico

July 5, 2016. Group Michelin is moving ahead with plans for a new factory in Mexico, committing $510 million over two-plus years for a car and light truck tire plant in León, Guanajuato state.

Michelin said it expects production at the 1.58 million-sq.-ft. structure to start in late 2018, with a capacity initially of 4 million to 5 million tires a year. The expected employment was not disclosed.

Michelin's announcement follows several months to a report by the Reuters News Agency, where it is mentioned that Michelin was planning to build a $510 million factory in central Mexico.

Michelin said the location reflects its “commitment to producing its tires as close as possible to the markets in which they are sold.” The plant's location is with a three-hour drive to the production facilities of 18 large car manufacturers with operations in Mexico.

Group Michelin CEO Jean-Dominique Senard and Guanajuato Gov. Miguel Marquez at the announcement of Michelin's decision to build a plant in Leon, Guanajuato.

Leon is a city of 1.2 million inhabitants about 140 miles east of Guadalajara.

Michelin said its decision to build this plant is in response to both, “sharp growth in Mexico's automobile market and to the confidence that the world's largest car manufacturers have put in us.”

“The new plant reflects our ability to take advantage of growth opportunities in the dynamic North American market,” Michelin CEO Jean-Dominique Senard, “and to make our manufacturing operations more agile by deploying tire ranges that integrate innovative technology.”

Michelin noted most of the high-performance tires to be made at the plant will be for the original equipment segment. These short distances from the plant to OE assembly plants mean that the tires will be delivered to Michelin’s customers faster and more cost effectively, thereby reducing the Group's carbon footprint and helping it to meet its environmental objectives,” Michelin said.

The plant will be Michelin's 21st production site in North America and 69th worldwide, including a plant in Queretaro, Mexico, the company opened originally in 1987 and then reopened in 2002 after a 20-month business hiatus.

Michelin North America Inc. recently disclosed that it has invested more than $3.1 billion since 2011 on manufacturing capacity and infrastructure and other developments in support of its sustainable growth strategies. Included in the total was $43 million at the Queretaro plant.

This is the third major tire capacity investment announcement in Mexico in the past 15 months.

Goodyear announced last April it intended to invest up to $550 million in a car and light truck tire plant now under construction near San Luis Potosi, Mexico. The plant's projected capacity is 6 million units a year with 1,000 employees at full capacity.

Pirelli Tyre S.p.A. disclosed in April it is committing $200 million over the coming 18 months to expand its four-year-old car and light truck tire plant in Silao, Mexico, by 50 percent to 7.5 million units.

Source: Forbes.

JinkoSolar signs three solar PPAs for its 188 MWac projects in Mexico

July 28, 2016. JinkoSolar Holding Co., Ltd., a global leader in the solar PV industry, today announced that it signed three power purchase agreements ("PPAs") with Mexico's Federal Electricity Commission (Comision Federal de Electricidad or "CFE") for the three projects totaling 188MWac that was awarded in April 2016 under the Mexico's First Long Term Electricity Auction.

According to the terms of the PPAs, JinkoSolar will begin generating solar energy by approximately mid-2018. All the electricity generated will be sold to the CFE under the PPAs for a 15-year period and related Clean Energy Certificates ("CELs") for a 20-year period. Together, the plants will generate electricity in excess of 500 gigawatts/hour (GWh) each year. This translates to a reduction of 200,000 tons in CO2 emissions every year.

JinkoSolar will be responsible for developing and constructing the PV plants. Out of the three projects, two will be built in Yucatan, while the remaining one will be located in Jalisco. All the three facilities are expected to come online by mid 2018.

"I'm pleased to have completed these PPAs after having been awarded our first large scale overseas projects in Mexico," commented Mr. Xiande Li, Chairman of JinkoSolar. "Solar is becoming increasingly competitive in an ever expanding number of countries and regions. Mexico is an attractive market for solar power and is showing great potential which we intent to take advantage of. We are proud to have earned the trust of CENACE (National Center of Energy Control), SENER (Mexican Ministry of Energy), and CFE, and look forward to providing clean energy to Mexican customers."

The Mexican Minister of Energy congratulated the 11 companies that were awarded the first 18 clean projects as part of the nation's first tender auction, "I want to give a very special greeting to all the companies that were awarded in this first auction. Mexico is very optimistic about the nation's clean energy. The second auction is planned to be in September and is expected to be as successful as the first one."

Source: PR Newswire.

US, Mexico to negotiate nuclear power deal

July 22, 2016. The United States and Mexico are set to begin negotiating a new nuclear power cooperation agreement.

Officials for the two countries will look to craft a “123” nuclear agreement before the end of the year, according to a fact sheet put out by the Obama administration on Friday.

The deal would allow American nuclear companies to export their products and technologies to Mexico. In the fact sheet, the administration said the deal would “strengthen our existing legal framework and provide an enhanced basis for the transfer of technology, fuel and other major nuclear components between the two countries, as well as enhance potential emissions reduction in the power sector.”
“It would also enhance national capacities in the supply chain and nuclear fuel services, and facilitate sharing of experiences and best practices in this sector,” the statement said.

The United States has 123 nuclear agreements with 22 countries, the International Atomic Energy Agency and a consortium of European nations. The deals, crafted by the executive branch and reviewed, but not ratified, by Congress, are popular within the nuclear industry. The last major 123 agreement to take affect was a renewal of the one with China, which the administration finalized last year.

Officials announced the nuclear power work following a visit by Mexican President Enrique Peña Nieto. The U.S. and Mexico agreed to a handful of other energy and environment provisions during the meeting, including energy efficiency financing, methane reduction steps, a study into renewable energy and a timeline for reaching a water management plan for the Colorado River.

Source: PR Newswire.

BMW builds supply base from scratch in Mexico

July 31, 2016. To reach productivity benchmarks at its Mexico factory, BMW AG will embrace a new and innovative supply chain and logistics plan. The German luxury maker won't simply transfer its supply base from its other North American factory, which opened 22 years ago in Spartanburg, S.C. And it won't demand that suppliers serving the South Carolina plant set up shop in Mexico, says Oliver Zipse, BMW board member for production.

Instead, it will create a new North American supply base. "We will see all the latest state of the art here," Zipse promised.

Those innovations will include:

- Assembly of parts modules for sequential delivery by BMW employees, operating apart from the vehicle production line.

- A GPS-based logistics web "geo-fence" that will track components coming into the plant and alert BMW about delays or problems.

- A nearby supplier park that can ship products in sequence as they are needed.

The factory will begin production in 2019, making BMW's best-selling car in the United States, the 3-series sedan. It will be capable of building any of the automaker's rear-wheel-drive vehicles that use BMW's new flexible Cluster Architecture on one line. At capacity, the plant will be able to produce 150,000 vehicles annually and has been designed for easy expansion, Zipse says. It will include body and paint shops and an assembly line, but not metal stamping. The press shop will be outsourced.

The Mexico factory also has been designed so components come in at one end of the plant — a logistics advantage over the Spartanburg layout. The South Carolina plant layout has evolved over the last 22 years as the plant expanded. It now has what the company calls "fingers" of activity protruding along three corridors for 80 percent just-in-time deliveries to the assembly line.

In Mexico, BMW has the luxury of making parts delivery more streamlined from the beginning.

"You will have a substantial amount of direct assembly, where trucks end up at the delivery line," Zipse said.

The venture also will make BMW a bit chummier with General Motors. The 300-acre San Luis Potosi site is adjacent to an established industrial park where many suppliers make components to serve a nearby GM plant, in operation since 2009.

Spartanburg does not have an adjoining supplier park, or even one in the near vicinity. And when that plant started from scratch in 1994 making the 3-series sedan, it also did not have the luxury of taking advantage of a neighbor's established local supply chain. Compared with Mexico in 2016, Spartanburg of 1994 was a remote spot on the North American automotive supply chain map.

BMW began the search for a second production site in 2011, when the German automaker foresaw the global car market expanding quickly. BMW has ridden the wave of that market growth since launching North American manufacturing. Spartanburg started with the capacity to build about 70,000 cars a year. It is now the company's largest auto plant, with expectations to produce 450,000 crossovers this year.

By comparison, with an initial capacity of 150,000 vehicles a year, San Luis Potosi is beginning at more than twice the scale that Spartanburg had.

Source: Automotive News.

Thyssenkrupp plans further investment in Mexico

July 1, 2016. The industrial and technology group Thyssenkrupp continues to invest in Mexico. Together with Miguel Márquez Márquez, governor of Guanajuato, the company presented its latest growth plans in Essen. At the new auto components park started last year in San Miguel de Allende, Guanajuato, the group plans to build a further plant for active and passive damper systems. At the beginning of the year Thyssenkrupp began the construction of a production plant for cylinder head covers with integrated camshafts at the site. Thyssenkrupp is investing altogether around EUR150m in the new industrial park. Production supplies to OEMs in North America are planned from 2017/2018. The 200,000 square meter components site will create up to 750 new jobs.

Dr. Karsten Kroos, CEO of the components technology business area at Thyssenkrupp: "Mexico plays a central role in the expansion of our auto components business. Our investment programmes there are a key part of our growth and regionalisation strategy. On completion of the new components site in San Miguel de Allende we will more than double the size of our production network in Mexico to altogether eight production sites in just a few years.” The auto industry in Mexico has grown by on average 8% per year over the past five years, and this rate of growth is expected to continue. With target output of 5m units in 2020, Mexico would become the world's sixth biggest automobile producer.

The components technology business area at Thyssenkrupp is profiting from this growth with a good order backlog for both chassis and engine components. Last fiscal year the components division increased its sales in North America by 17% year-on-year to around EUR1.9bn. Thyssenkrupp is increasingly focusing on high-tech systems manufactured in a global production network to the same high production and quality standards to meet increasing customer requirements.

Thyssenkrupp has been producing components for the North American auto market in Mexico since the 1960s. The product range includes engine and steering components, springs and stabilisers, and axle module assembly. By locating two new technologies at the new industrial park in San Miguel de Allende, the company will have competitive cost structures to unlock further growth potential. Thyssenkrupp is one of the world's leading suppliers of both dampers and assembled camshafts. With the Thyssenkrupp Bilstein brand, the company is also world market leader in the racing and aftermarket sectors.

Source: El Financiero.

Mexico to increase national supply by 20%

July 5, 2016. Replacing 1% of imports by domestic product would represent an economic growth of between 1.2 and 1.3 percent and Mexico has the capacity to supply up to 20% over the next decade, said Manuel Herrera, president, of the Confederation of Industrial Chambers (CONCAMIN).

At the inauguration of the B2B National 2nd Business Meeting 2016, which carries out the Index for the first time in Mexico City, Luis Aguirre, Vicepresident of CONCAMIN, noted that most opportunities are in the plastics, electrochemical, metal-mechanical, electrical and electronic sectors, plus some necessary packaging in the agribusiness sector to obtain the necessary certifications on certain exports. Currently, the average of the national products exported by our country is 30%.

In this edition, hundreds of vendors are looking to sell to 86,000 companies that are willing to buy more than 3,725 million dollars in products. This amount represents 1% of the total imported and 2% of imports in the export industry. As part of the event, more than 2,100 citations between buyers and sellers were made. In march 2015, more than 1,200 million dollars were sold in business meetings during the first edition of the B2B, although there were 50 companies with a 3 billion dollar demand.

Source: El Financiero.

India, Mexico approve 14 joint projects in science and tech

July 23, 2016. India's Department of Science and Technology (DST) and Mexico's National Council of Science and Technology (CONACyT) have approved 14 joint projects in four focus areas of cooperation – water, seismology, solar energy and biotechnology.

This was decided at a meeting between the two sides in Mexico City on July 18-19 for the 6th meeting of the Indo-Mexican Committee on Science and Technology.

Evaluating ongoing actions of cooperation as well as new mechanisms to strengthen the bilateral relation, representatives from both the countries discussed the importance that network creation has signified for the growth of Mexico-India collaboration, a statement said here on Friday.

As part of the meeting, officials from DST and CONACyT approved the 14 joint projects.

The delegations also discussed proposals to enhance the scientific and technological linkages between Indian and Mexican experts. "The full potential of science and technology cooperation between the two countries is yet to be realised," DST's head of international bilateral cooperation Arabinda Mitra said.

The joint committee also met with officials from the Center for Research and Advanced Studies of the National Polytechnic Institute (CINVESTAV).

Scientific cooperation between Mexico and India has been mainly implemented through joint research projects. These projects have produced over 120 visits from researchers in both countries, several academic publications as well as three joint workshops.

During the visit of Prime Minister Narendra Modi to Mexico City on June 8, cooperation on science and technology was highlighted as one of the priority areas.

Modi and Mexican President Enrique Peña Nieto agreed to launch concrete proposals in science and technology for the benefit of their peoples.

Source: Jornada.

IKEA, set to enter the Mexican market

July 1, 2016. IKEA, the home furnishings and accessories company of Swedish origin, is analyzing to enter the Mexican market.

At the website of IKEA's international franchisee, Inter IKEA Systems B.V., the company published at least 4 job vacancies to work in Mexico.

The first tasks will not be opening an initial store, but finishing market studies to analyze the feasibility of initiating operations in Mexico.

"After conducting market research and distribution, related to the establishment of IKEA stores in Mexico, Inter IKEA Systems B.V. recently decided to assign the Mexican market to Ikano (member of the Swedish group), and proceed with the agreement of developing a franchise for this market".

"Ikano is recruiting an initial team for Mexico, which will complete these studies and, if approved, will begin IKEA's retail activities in this country."

The vacancies available on its website are country manager, product requirements manager, logistics manager and business manager.

Source: El Financiero.

Constellium to open a new manufacturing facility in San Luis

July 6, 2016. Constellium announced today that it intends to open a new manufacturing facility in Mexico to produce aluminium automotive structural components. This plant, located in San Luis Potosí, will allow Constellium to respond to increasing demand for lightweight, high-strength aluminium Crash Management Systems and automotive structures for the expanding auto industry in Mexico. The automotive industry expects that nearly five million vehicles will be produced annually in Mexico by 2019, making it one of the largest markets for automobile production.

Constellium plans to invest approximately $10 million in the 5,000 sq m facility, which may be expanded to 13,000 sq m in the future to adapt to customers' supply needs. The company expects to initially employ approximately 100 people in San Luis Potosí, which is centrally located to support current and new customers across Mexico. The facility is expected to start production in 2018.

The San Luis Potosí plant will complement Constellium's growing footprint in North America for the fast expanding market of automotive structures. Last year, Constellium announced it would build a new manufacturing facility for automotive structures in Bartow County, GA, which is expected to start production in 2017. Constellium doubled manufacturing capacity at its facility in Van Buren, MI, in 2015 and has enhanced advanced prototyping and development capabilities to better serve automotive customers in North America.

"The San Luis Potosí plant is an important step in our development in North America and will allow Constellium to expand its business into one of the most significant automotive markets in the world," said Eric Krepps, Constellium's General Manager of Automotive Structures for North America. "By bringing our advanced manufacturing processes to Mexico to be near our customers' assembly plants, we have a new opportunity to support automakers in their mission to make vehicles lighter, thereby improving fuel economy and lowering emissions."

"I would like to thank the Governor of the State of San Luis Potosí, Juan Manuel Carreras López, as well as the government of San Luis Potosí, for the warm welcome they have extended to us," added Krepps. "We look forward to becoming part of your community."

Source: Constellium.

Autoparts industry in Mexico expects US$2bn investment in 2016

July 31, 2016. This year there will be an investment of $1.5 and $2 billion dollars in the autoparts industry, due to the grow and arrival of new players in this sector, said Oscar Albin Santos, President of the National Autoparts Industry (INA).

For next year, it is expected to see investments of $1.5 billion.

About the exchange rate, Albin said that the industry has benefited by a strengthen dollar against the Mexican peso because of the export capacity, where around 65% of autoparts shipments are done to United States and Canada.

"It favors us (the exchange rate) because we are mainly exporters, especially the national manufacturers, although is not the same with the independent market. For example, national manufacturers can defend themselves and have a better competitive advantage against importers", said at the start of the 5th Conference & Exhibition of Autoparts Manufacturing.

It is expected to see a grow between 3% and 4% in the autoparts industry, with 86,000 million dollars in production.

In Mexico, there are around 1,300 plants within this sector, most of them located at the north of the country, in Tamaulipas, Coahuila, Nuevo León and Chihuahua.

Meanwhile, the Bajio region accounts 30% of the national production of autoparts.

Source: Forbes.

Mexico to develop port of Cuyutlán for automotive traffic

July 31, 2016. The government of the state of Colima, in Mexico, has announced plans to develop the port of Cuyutlán, which lies adjacent to the port of Manzanillo, in an effort to cater for a predicted increase in automotive imports and exports in the run-up to 2020.

Both the state governor, Ignacio Peralta, and Eduardo Solís, president of the Mexican Automotive Industry Association (AMIA), have said any new investment there would have to be made in collaboration with the private sector. “Colima wants to be a part of the development of this industry and its development implies the need for growth in the volume of cargo expected in the next few years,” said Peralta.

The anticipated upturn in traffic to and from Mexico, he added, would allow the authorities to build a new generation facility there that could cope with higher throughputs and bring down costs for port users.

Developments there will include a specialist terminal for handling finished vehicles and an area for undertaking tests on vehicles, he added.

All the main vehicle manufacturers already use the nearby port of Manzanillo, noted Peralta. During 2015, the port enjoyed a 12% rise in the total number of vehicles passing though it thanks to a 50% surge in imports. “We want to be an ally of that growth and, in that sense, the automotive industry in Mexico will continue to grow with the port of Manzanillo as partner,” said Peralta.

The port of Cuyutlán has excellent growth potential, with a series of large lagoons and potential capacity up to 15 times greater than the port of Manzanillo, he said.

Currently, the port of Cuyutlán is home to a natural gas terminal, following an investment dating back to 2004. Studies will now be undertaken to ascertain just what level of additional investment is needed to create a state-of-the-art finished vehicles terminal in the area, however.

It’s not yet clear how any private sector investment will be structured. “We are looking at creating instruments that would allow investment to be made as the port authority or via another mechanism that implies private sector participation, given that the projects would be profitable,” said Peralta.

Source: Automotive Logistics.

Mexico gasoline imports increase

July 18, 2016. For the first time, 62% of gasoline consumed in Mexico will be imported, local paper Excelsior reported.

This month state oil firm Pemex will import 505,000b/d, up 33.2% compared with July 2015, it said, citing a Pemex import order it had obtained.

Mexico's current domestic gasoline demand is 815,085b/d.

Mexico's gasoline imports surpassed domestic production for the first time in October 2014, totaling a then record of 419,500b/d.

Domestic gasoline production dropped in May to 352,572b/d from 380,437 in April, a reduction of 7.3%, according to Pemex monthly statistics.

The amount of crude oil refined by Pemex dropped month-on-month in May, to 1.00Mb/d, down from 1.03Mb/d in April. Refining figures for June are not yet available.

July gasoline imports come from eight countries, the US, Netherlands, Spain, India, Bahamas, Dutch Antilles, France and Trinidad and Tobago

Source: Business News Americas.

Culture
Mole Poblano

Most people associate mole with either with Puebla or Oaxaca, but the origin of mole poblano, the thick, rich, chocolate-tinged sauce made so famous in the colonial mountain city of Puebla, Mexico, is still disputed, and generally involves these two versions of the legend:

The first says that 16th Century nuns from the Convent of Santa Rosa in Puebla de los Angeles, upon learning that the Archbishop was coming for a visit, went into a panic because they had nothing to serve him. The nuns started praying desperately and an angel came to inspire them. They began chopping and grinding and roasting, mixing different types of chilis together with spices, day-old bread, nuts, a little chocolate and approximately 20 other ingredients.

This concoction boiled for hours and was reduced to the thick, sweet, rich and fragrant mole sauce we know today. To serve in the mole, they killed the only meat they had, an old turkey, and the strange sauce was poured over it. The archbishop was more than happy with his banquet and the nuns saved face. Little did they know they were creating the Mexican National dish for holidays and feasts, and that today, millions of people worldwide have at least heard of mole poblano.

The other legend states that mole came from pre-hispanic times and that Aztec king, Moctezuma, thinking the conquerors were gods, served mole to Cortez at a banquet to receive them. This story probably gained credibility because the word mole comes from the Nahuatl word “milli” which means sauce or “concoction”. Another connection could be that chocolate was widely used in pre-columbian Mexico, so people jumped to that conclusion.

There are 6 moles and all of them are very time consuming, labor intensive and require many ingredients. Some moles have around 30 and 100 ingredients and some mole recipes contain 10 different varieties of chilis alone. Other ingredients include: peanuts, almonds, fried bread, plantains, lard, sugar, bittersweet chocolate, cinnamon, cloves and many more.

Each Mexican woman has her own mole recipe, probably passed down from her mother. Because mole takes so much time to prepare, it is usually made in huge batches, too large for the home blender to handle. Therefore, women take their mole ingredients, all cooked and ready to blend, to large “molinos” or grinders in their neighborhood. The mole is passed through the grinders and comes out smoother than if it was made in a home blender.

Mexican Companies looking for distributors

AGROCOMERCIAL CAMPESINA, S. de P.R. de R.L.
Products: Cereals, fruits and vegetables
Tel. +52 777 269 6556
Website: www.agrocrece.com
Email: equiroz@agrocrece.com

AGROMAYAL BOTÁNICA, S.A. de C.V.
Products: Aloe vera products
Tel. +52 87 17 50 08 46
Fax: +52 87 17 50 13 79
Website: www.amb-wellness.com
Email: luis@amb-wellness.com

ASOCIACIONES AGROINDUSTRIALES SERRANAS SA de CV
Products: Agricultural products
Tel. +52 22 53 15 14 56
Fax. +52 22 53 15 03 93
Website: www.serranas.com.mx
Email: export@aaserranas.com.mx

BEST GROUND INTERNATIONAL S.A. de C.V.
Products: Agricultural products
Tel. +52 33 36 48 99 01
Website: www.bestground.com.mx
Email: yara@bestground.com.mx

BOEHRINGER INGELHEIM VETMEDICA, S.A. DE C.V.
Products: Veterinary pharmaceuticals
Tel. +52 33 36 68 80 00
Fax. +52 33 36 68 80 20
Website: www.boehringer-ingelheim.com.mx
Email: victor.campos@gua.boehringeringelheim.com

Collins División veterinaria S.A. de C.V.
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Tel. +52 33 38 11 14 64
Fax. +52 33 31 62 02 98
Website: www.collinsdivisionveterinaria.com
Email: clarisa.nieto@collins.com.mx

COMERCIALIZADORA INTEGRA DE BELLEZA, S.A. de C.V.
Products: Cosmetics
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Fax. +52 55 55 25 76 46
Website: www.cosmetobellezaim.com
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Fax. 55 33 30 75 00
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CONDUCTORES MEXICANOS ELÉCTRICOS Y DE TELECOMUNICACIONES, S.A. de C.V.
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Website: www.condumex.com
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Email: alejandra.verduzco@lacostena.com.mx

GRUPO OLEOVISA, S.A. de C.V.
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ESPECIAS PICANTES YUCATECAS S.A. de C.V.
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Website: www.frutosmx.com
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Products: Agricultural products
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Website: www.ggmextrade.com.mx
Email: rosario.hernandezf@gmail.com

GRUPO GYLSA, S.A. de C.V.
Products: Medical products
Tel. +52 55 56 11 45 65
Fax. +52 55 53 84 21 93
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Email: marcotulio@gylsa.com.mx

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Fax. +52 81 83 80 44 40
Website: www.griffithfoods.com
Email: ctamez@griffithlaboratories.com

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Email. elizabeth.lopez@atramat.com

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Products: Snacks and candies
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Fax. +52 33 3284 1408
Website: www.jovycandy.com
Email: arturo.armenta@jovycandy.com

IMPORTACIONES Y EXPORTACIONES LA BIKINA, S. de R.L. de C.V.
Products: Fruits and vegetables
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Website: www.labikinagroup.com
Email. d.rejon@labikinagroup.com

INTERACCIÓN BIOMÉDICA, S.A. de C.V.
Products: Medical products
Tel. +52 55 55 50 37 36
Website: www.interbio.com.mx
Email. javier@interbio.com.mx

JAGSA
Products: Fruits
Tel. +52 55 56 94 29 60
Website. www.jagsa.com.mx
Email. jorgeg@jagsa.com.mx

JUMEX ELORO, S.A. de C.V.
Products: Beverages
Tel. +52 55 56 99 19 99
Fax. +52 55 57 55 10 00
Website: www.jumex.com
Email. ejrodriguez@jumex.com.mx

MEXIMPORT FOOD WIN, S. de R.L.
Products: Foodstuff
Tel. +52 55 57 16 95 28
Website: www.meximportwin.com
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MOSAICOS VENECIANOS de MÉXICO SA de CV
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Mexico expects to see US$5bn solar investment in 2020

July 14, 2016. Mexico will see investment in solar power totaling US $5 bn over the next five years, according to the country's solar power association Asolmex.

In conjunction with the energy ministry, Asolmex on Wednesday presented the Solar Initiative, a project that seeks to promote competitiveness in solar energy, define the parameters for the expansion of the sector through the planning of the national electricity grid and identify the obstacles to solar power growth. As a result of the first electric power auction in March, new projects will bring total installed solar capacity to 4,000MW by 2020, with US$ 5 bn in investment, according to Asolmex.

Current solar energy prices are highly competitive, at an average of US $45/MWh, and the cost of solar technology is currently 70% lower than it was in 2010, Asolmex said.

"We are living in times of change. The energy reform has opened new channels for private sector participation in the electricity sector. A few months ago the realization of the reforms seemed a long way off, but today these changes are a reality that is transforming Mexico," Asolmex president Héctor Olea said.

The projects awarded in the March 30 auction, the contracts for which were signed this week, will bring investment of almost US$2bn and create some 9,500 jobs, the association said.

These projects have the potential to add $12 bn pesos (US$655mn) to GDP and lead to an estimated 2Mt/y reduction in CO_2 emissions, it added. The auction has proved that solar is competitive with combined cycle power stations, which is the most efficient use of fossil fuels in power generation, and solar will become more competitive in the coming years, according to Asolmex. Each 1,000MW of solar generation capacity reduces fuel consumption by 1.5bn pesos per year, it said. "The auction saw 70% of offers for the sale of electricity come from solar projects, which demonstrates the confidence in and competitiveness of solar energy," Olea said.

The next electric power auction will take place on September 30, with 88 firms signed up to participate.

Source: Business News Americas.

US$1.3bn invested to date in Mexico City’s new airport

July 22, 2016. GACM, the concessionaire for Mexico City’s future international airport, has invested 25n pesos (US $1.3bn) to build the new airport since 2014.

The figure represent 14.8% of the total price of the airport, which is estimated at 169n pesos, according to data from GACM.

GACM published more than 200 contracts related to the construction of the airport, which contain information on the planning phases, the tenders, contract-awarding and implementation of the works, the group said in a release.

With the publication, GACM complied with a presidential order to make data on the contracts public, it said.

Of the 200 contracts, the tender to build the terminal building, which will require investment of $11 bn pesos, and the tender to build runway No. 3 at a cost of $258 mn pesos, are among those highlighted.

GACM has said it will launch more than 40 tenders for the airport this year alone.

The airport will have a footprint of around 4,430ha and will eventually handle up to $120 mn passengers a year.

Source: Business News Americas.

Mexico, 7th country to export more manufactured goods

July 21, 2016. Mexico ranked seventh among the largest exporters of manufactures in the world in 2015, taking the European Union as a single participant, the World Trade Organization (WTO) reported. *The European Union led the list, followed by China, the United States, Japan, South Korea, Hong Kong, Mexico, Singapore, Taiwan and Canada.*

With a value of 312,000 million, Mexico's manufacturing exports were the only ones that grew 1% in 2015 year on year, among the 10 largest exporters of this sector in the world.

Manufacturing exports of the European Union totaled 4 trillion 239 billion dollars, followed by China (2 trillion 153 billion) and the US (1 trillion 126 billion).

These data are part of a new annual statistical publication of the WTO: "Statistical Review of World Trade", in which it gives an idea of how international trade has evolved in recent years.

Global trade of goods fell 13% in 2015, which was mainly caused by a drop of 25% in the exchange of fuels and mining products.

The overall decline was also due to a decrease in prices and global demand. Exports of agricultural products fell 11%, while those of manufactured goods fell 5 percent.

Mexico highlighted by recording the highest growth rate in auto sales abroad in 2015 among the top 10 exporters of this sector.

The European Union was placed as the largest global exporter in this classification, followed by Japan, the United States, Mexico, South Korea, Canada, China, Thailand, Turkey and India.

Of these, automotive exports from Mexico grew at an annual rate of 5% in 2015, while Canada climbed 1% and Thailand rose 2 percent. The remaining recorded negative rates.

In another indicator, among the top 10 exporters of office and telecom equipment, only Hong Kong (China) and the Republic of Korea increased the value of its exports.

Source: El Financiero.

Michoacán will export 70,000 tons of mangos

July 6, 2016. Mango producers expect to export 70,000 tons to the US, Canada, Europe, and Asia, in what they described as a good year for the sector, said Javier Chavez Contreras, a non-governmental representative of the Mango Product System in the state.

The representative of the producers said that 83 percent of the exports were destined to the United States, 12 percent to Canada, and that the rest would be sent to Asia. He also said they had already exported 60,000 tons and that they expected to export some 10,000 tons more.

He also said that the country's total mango production amounted to 135,000 tons, and that the production that wasn't exported was destined to the industry and to the national fresh market. He highlighted that mango prices were very affordable as most varieties were being sold between 1.50 and 2 pesos. Only the Kent mango, which has a late harvest and has a high demand in Europe, achieved a higher price.

Additionally, he stated it had been a good year because they had had a good pest control unlike last year. Moreover, he said they expected the dehydrator plants to give added value to the production of Michoacán should be ready soon.

Source: Fresh Plaza.

Mexico keeps 6 of the 7 car plants planned for North America

July 15, 2016. The wave of investment announcements about automotive plants virtually came to an end. Analysts projected that to support the increase in demand for cars in North America, automotive brands would install seven assembly plants in the region between 2011 and 2016. The result: six remained in Mexico, one in the United States and none in Canada.

Thanks to this sudden craze for investing in Mexico, in a decade the number of assembly plants installed in the country will have doubled, from 12 in 2008 to 20 in 2019. Now one of the main challenges is to ensure the startup of all plants. "Companies who came to Mexico without the support of a partner -as Audi did with Volkswagen and Daimler with Nissan-, have had various problems to find suppliers, to locate talent or have the necessary infrastructure to start operations," said Guido Vildozo, automotive analyst at consultancy IHS.

Vildozo cited the case of Mazda's plants, which made some adjustments and line stoppages to compensate for the gaps that existed both at the operational level (communication between operators, managers and executives), and supply level. "The problem was not building the plants, both Mazda and Honda and Kia completed the construction of their facilities within time, but operating them. That is where they are taking the bottlenecks in day to day," added Vildozo.

By 2020, Mexico will produce between 4.5 and 5 million vehicles, almost 40% more than what is currently assembled. But how are they going to move this over? Experts say that can not be achieved with the existing infrastructure, especially when facing bottlenecks at customs, and ports and rail are at the limit of their capacity.

In Mexico there are about 25,000 kilometers of railways, which has grown 3% the number of kilometers of track in the last 80 years.

In addition, the Mexican rail network connects only to the US in eight of the 25 border crossings, a problem for the automotive industry which sends 70% of exports to the United States.

The ports also have jams. In the "Sector Program for Communications and Transport 2013-2018", the agency notes that "although traffic from Asia has encouraged the ports of Manzanillo and Lazaro Cardenas adapt their infrastructure to mobilize a greater number of containers, Manzanillo is still limited in the dispatch of goods by rail ".

The document notes that the movement of containers in the ports of Altamira and Veracruz is constrained by inadequate intermodal connections.

This is a potential problem for the automotive industry that sends through sea nearly 800,000 units per year, mainly from Veracruz (67.2%), Lazaro Cardenas (13.0%), Altamira (11.1%), Acapulco (8.1%) and Manzanillo (0.6%), according to the Mexican Automotive Industry Association (AMIA).

Mexico is the fourth largest exporter of cars worldwide, however, the lack of connectivity between production sites, ports and borders has impacted the operating cost of the automobile sector, since about 12% of the cost of a car corresponds to logistics. In the United States it is between 6% and 7%. "This will be a challenge for the industry," says Mark Szakonyi, logistics specialist at IHS.

Source: Expansión.

THE SUEZ CANAL ECONOMIC ZONE

In developing THE SUEZ CANAL ZONE we have listened to our partners

The Suez Canal Zone represents a new chapter in the economic development of Egypt. Created under Law No. 83 of 2002 and as amended in 2015, the Suez Canal Zone is governed by the General Authority for the Suez Canal Economic Zone: an autonomous body with executive powers of regulation and approval including the full authority to oversee all areas of operation, staffing, control over budgets, funding, development of partnerships with developers and business facilitation services.

The Suez Canal Zone will apply a new investor friendly business environment that will be a blueprint for future development nationally. There will be a genuine one stop shop with all critical elements deployed. Simple declarative investment registration systems with streamlined investment approvals, granting of import and export licenses as well as accelerated on-site customs inspection procedures will be available. Similarly, secondary permits and authorizations relating to land, building, labor, health and safety will be addressed directly by the Suez Canal Zone authority whose efficiency will be enhanced by partnerships with key stakeholders including government ministries, private sector representatives, be it developers or investors in the zone, or affected communities and community groups and certainly international development partners.

The Suez Canal Zone will not just help first-time investors; it will support companies to expand and grow more, and therefore create the thousands of jobs that will put Egyptian people into productive work.

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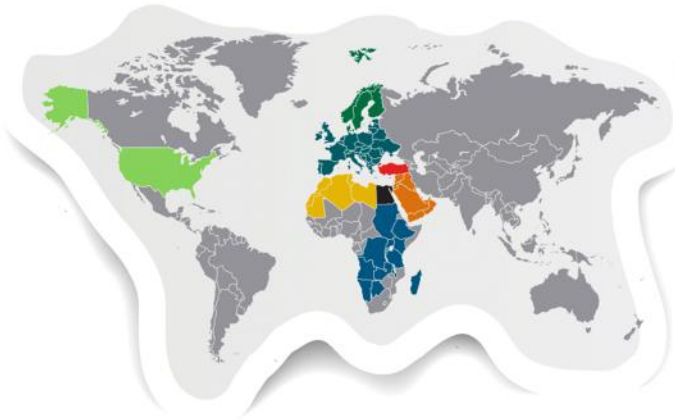
Why THE SUEZ CANAL ECONOMIC ZONE ?



- Lies at the ***heart of international trade***.
- ***Strategic geographic location*** and benefits from its strategic location along one of the world's main trading routes.
- ***Access to 1.6 billion consumers*** ;
  Complemented by world class ports, high quality logistics services and preferential trade agreements, it allows investors to efficiently, and competitively, access regional and global markets in Europe, the Gulf, East and Southern Africa and Asia.
- ***Access to Domestic Market***;
  Egypt has a large and growing domestic market of some 90 million people of whom 65% are of working age. With rising standards of living, the purchasing power of the domestic market will drive growth in many sectors.
- ***Workforce***;
  Egypt has a huge, competitively priced workforce available to meet investor requirements.
- ***Strong Track Record***;
  Egypt is a major industrial producer. The Suez Canal Zone can draw upon and expand the existing strong ties with multinational and domestic corporations to develop a much enhanced manufacturing sector.
- ***A True One-Stop-Shop***;
  Unified and streamlined procedures and processes designed to minimize delays and costs to the investor. A unique customer service at which only one employee finish all the procedures of issuing of all approvals and licenses for the projects.
- ***High Quality infrastructure and linkages***;
  State-of-the-art infrastructure services, including power, water, wastewater, telecommunication, and transport linkages will be provided to investors.
- ***The Zone is supervised and managed by***
  an independent General Authority by constituting an independent board comprised of key government ministries and private sector representatives.
- ***The authority has a supreme committee*** that supervises the tax and the customs systems and operations in the Zone.
- ***All imports*** are 100% exempted from duties and sales taxes.

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Areas of OPPORTUNITY

A wide range of investment opportunities are available in the Suez Canal Zone.

Ports & Logistics:

Investment opportunities in the development of Ain Sokhna Port and East Port Said Port and the associated terminals and facilities: container terminals, bulk and general cargo terminals, logistics, warehousing and distribution centers as well as dry ports.

Maritime Services :

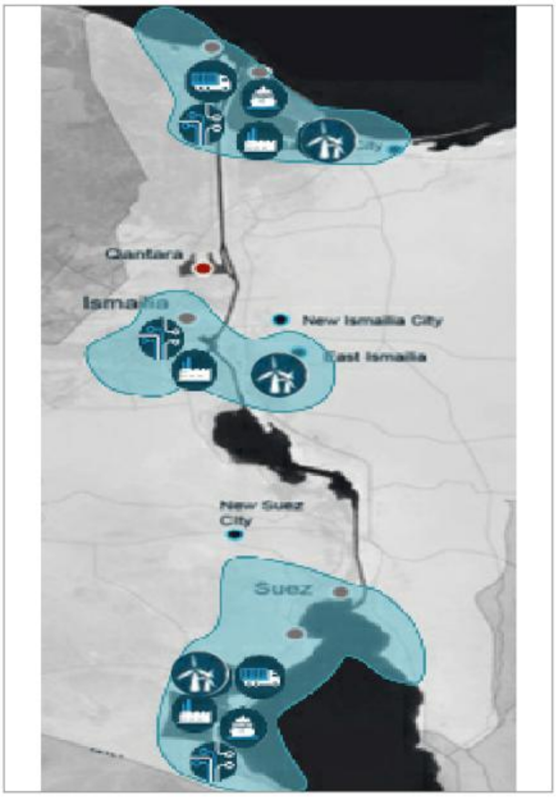
With over 17,000 ships passing through the Canal every year, the Suez Canal Zone is ideally located for the development of maritime related activities including ship building and ship repair services, bunkering, vessel scrapping and recycling.

Industry:

The industrial areas of Ain Sokhna, East Port Said, East Ismailia (Technology Valley) and Qantara provide vast land areas for light, medium and heavy industry. Potential opportunities are available in pharmaceuticals, food processing, automotive, consumer electronics, textile and petrochemicals.

Renewable Energy:

The renewables sector is highly promising with strong potential for solar and wind farm development, and for the establishment of clean energy industries.



ICT :

With a rapidly-expanding and well- recognized ICT industry in Egypt, the Suez Canal Zone offers investors high quality facilities to engage in research and development, software development and other activities.

Other Areas of opportunity :

With a rapidly-expanding and well- recognized ICT industry in Egypt, the Suez Canal Zone offers investors high quality facilities to engage in research and development, software development and other activities.

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Regional STRATEGY

Ready to host you, a huge integrated port / industrial zone target heavy industry in the south area, medium / light industries in the north area.

1

AIN **SOKHNA**

- Creation of one of the largest industrial and port complexes globally. Expansion of the ports and logistics facilities at Sokhna and Adabiya, and establishment of maritime-related activities including bunkering, ship building and repairs to support over 70,000 jobs.
- Industrial Development of over 16,250 hectares supporting light, medium and heavy manufacturing activities, as well as commercial and business activities. Capacity to host over 85,000 jobs.
- Planned new integrated communities at Ain Sokhna and new Suez City for over 60,000 residents.

General land uses for Ain Sokhna area:

- ***Oil Refining.***
- ***Chemicals and Petrochemicals***
- ***Energy Components Manufacturing***
- ***Automobile Assembly Parts***
- ***Construction and Building Materials***
- ***Agri-business and Food Processing***
- ***Textiles and Ready-made Garments***
- ***Home Appliances and Electronics***
- ***Pharmaceuticals***
- ***Heavy industries***
- ***Intermediate Industries***
- ***Light Industries***
- ***ICT***

Logistics centers

- ***Residential / Mixed Use***
- ***Commercial Uses***
- ***Community Uses***
- ***Transportation Hub***

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Regional STRATEGY

It is the rising star, an integrated port/ logistics/ industrial zones are integrating to serve Mediterranean sea area, East Africa, Middle East and Eastern Europe.

2 EAST PORT SAID

- Development of East Port Said Port into a major transshipment hub and a thriving gateway port with a dedicated multi-modal logistics facility generating over 105,000 jobs.
- 4,000 hectares earmarked for light and medium manufacturing, commercial and business activities with the capacity to support over 80,000 jobs.
- New urban areas at East Port Said and Bardawil City, hosting up to 250,000 residents.

Investment is currently in:

- ***Port operation.***
- ***Infrastructure (power generation, water desalination, …)***
- ***Industrial development.***

Later on, in one year target includes:

- ***Industrial land uses***
- ***Automotive industry.***
- ***Construction and Building Materials.***
- ***Agri-business and Food Processing.***
- ***Textiles and Ready-made Garments.***
- ***Home Appliances and Electronics.***
- ***Pharmaceuticals.***
- ***ICT.***
- ***General Industries***

Logistics centers

- ***Residential / Mixed Use.***
- ***Commercial Uses.***
- ***Community Uses.***

Regional STRATEGY

It's envisioned as a vibrant new residential community in a unique agricultural setting next to the Suez canal.
Land use mix for Qantara is derived from the economic development and population projection provided in the regional strategy.

3

WEST **QANTARA**

- The administrative center of the Suez Canal Zone.
  Specialized clusters for R&D activities in both ICT and renewable energies in Ismailia City and also in East Ismailia.
- Agri-processing and related logistics center, dry port and other light manufacturing activities supported at Qantara.
- Development of urban areas at Qantara and New Ismailia City – capacity to host over 350,000 residents.

The targeted land use for Qantara are:

- ***Light Industries***
- ***Support Services For Industries***
- ***Residential area***
- ***Commercial Uses***
- ***Community Facilities***
- ***Public Open Spaces***
- ***Agricultural Land***

Regional STRATEGY

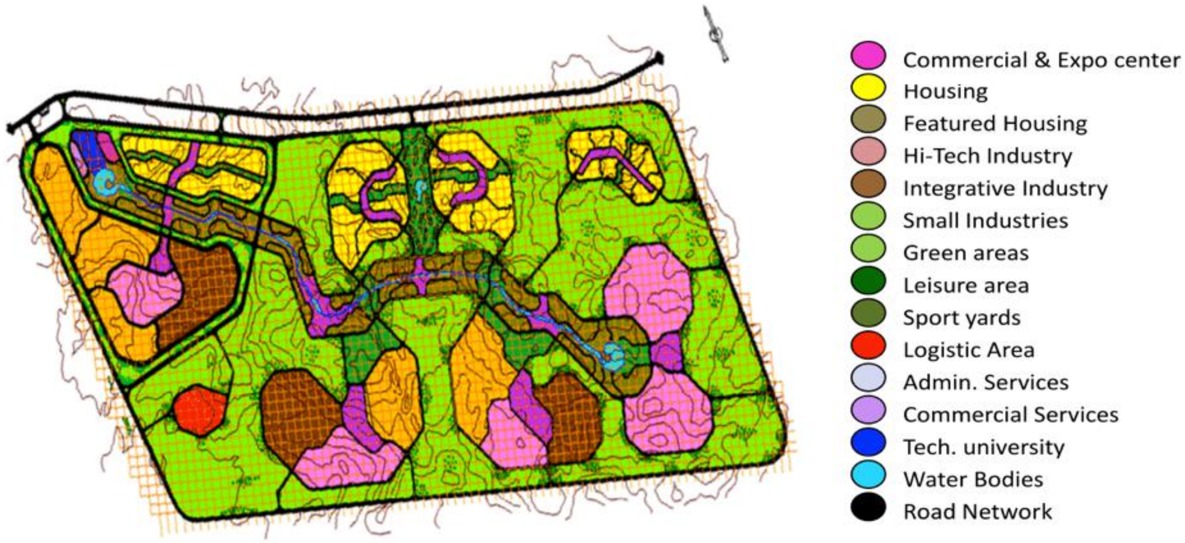
The project aims to create a new urban society depends on economic activity resulting from the interaction of investment, education, scientific research, based on high-tech industries.

4 TECHNOLOGY VALLEY

- The project occupies a strategic location on the East Bank of the Suez Canal in the center of the scope of Qantara East with a total area of **70 km²** on the East axis directly, and away from the axis of Suez Canal distance of 10 kilometers.

- The targeted land use are:
  Industrial land uses
  - ***High Technology Industries***
  - ***Integrated Industries***
  - ***General Industries***
  - ***Logistics.***

  Logistics centers
  - ***Residential / Mixed Use***
  - ***Commercial Uses***
  - ***Community Uses***



TRANSPORT & INFRASTRUCTURE LINKAGES

will be integral to the delivery of this regional strategy.

- New major expressway linking East Port Said to the regional network.
- 6 new road and rail tunnels to increase cross canal connectivity.
- Power, water and telecommunication networks to support integrated development.

PORTS
Investment Opportunities

PORTS, LOGISTICS & MARITIME-RELATED ACTIVITIES

At present, there are a total of **6 ports** under the SCZone Project. ports presented the opportunity to leverage higher economic benefits from the region's location.
there is now new drive and focus for further port development which provides a platform for increased industrial development, as well as other maritime related services.

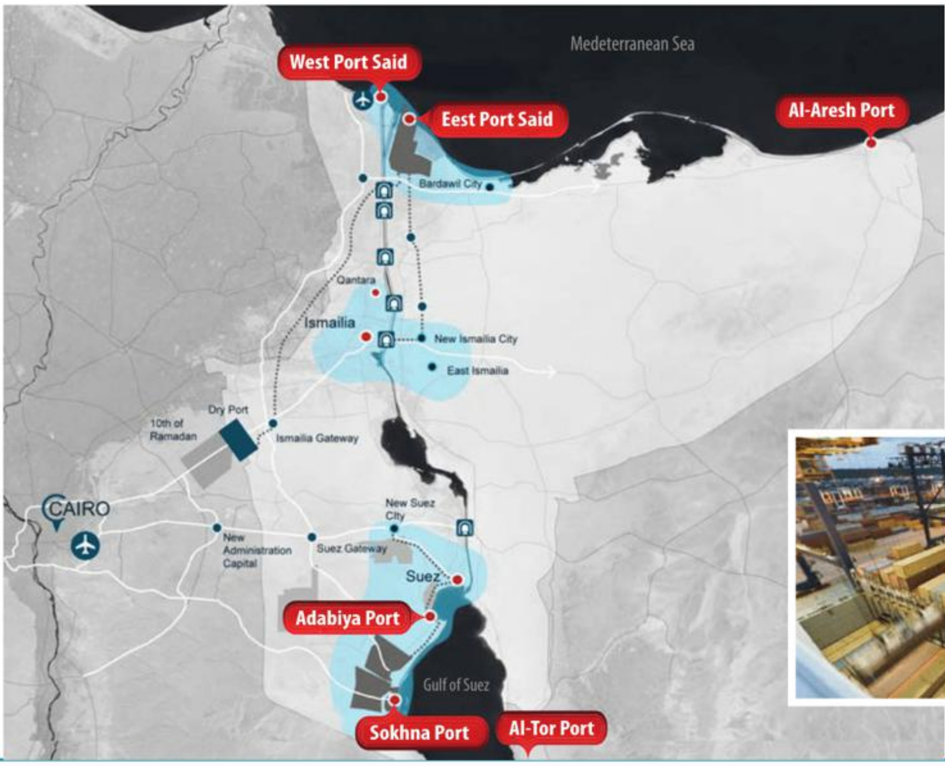


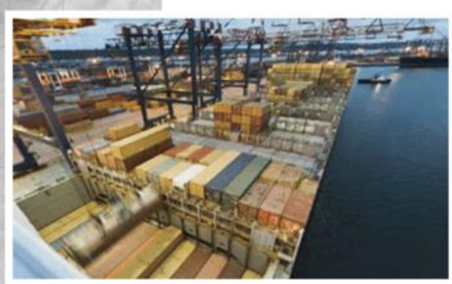

While the region already hosts a number of sea ports, which allow for some benefit from this maritime traffic to spill over into the local economy, there is potential for the region to derive much greater return through increased capacity to handle large vessels and by offering additional services. Further, the SCZone provides opportunities for the development of adjoining industrial and logistics areas to create fully integrated business hubs.

Under the SCZone, this potential will be realised through large-scale expansions of the two gateway ports at East Port Said and Sokhna to allow them to handle present and future generation container vessels. Such expansions also bring the opportunity for enhanced port automation and next generation container handling equipment to consolidate the competitiveness of these ports.

Logistics in particular, play a critical role in strengthening ties between the domestic and global market and facilitating the movement of goods in and out of the region. Dry port projects at Ismailia and 10th Ramadan will be vital to boosting the region's logistical capacity. Meanwhile new transport linkages - including a new expressway and freight railway connecting East Port Said to 10th Ramadan - will reduce the time, and cost, of moving freight.

There is also scope to develop the services and activities offered to vessels passing through the region - this encompasses stevedoring, bunkering, ship repairs and ship building. In developing plans for these activities, the SCZone has adopted a long-term view in safeguarding capacity for future growth and expansion.





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PORTS

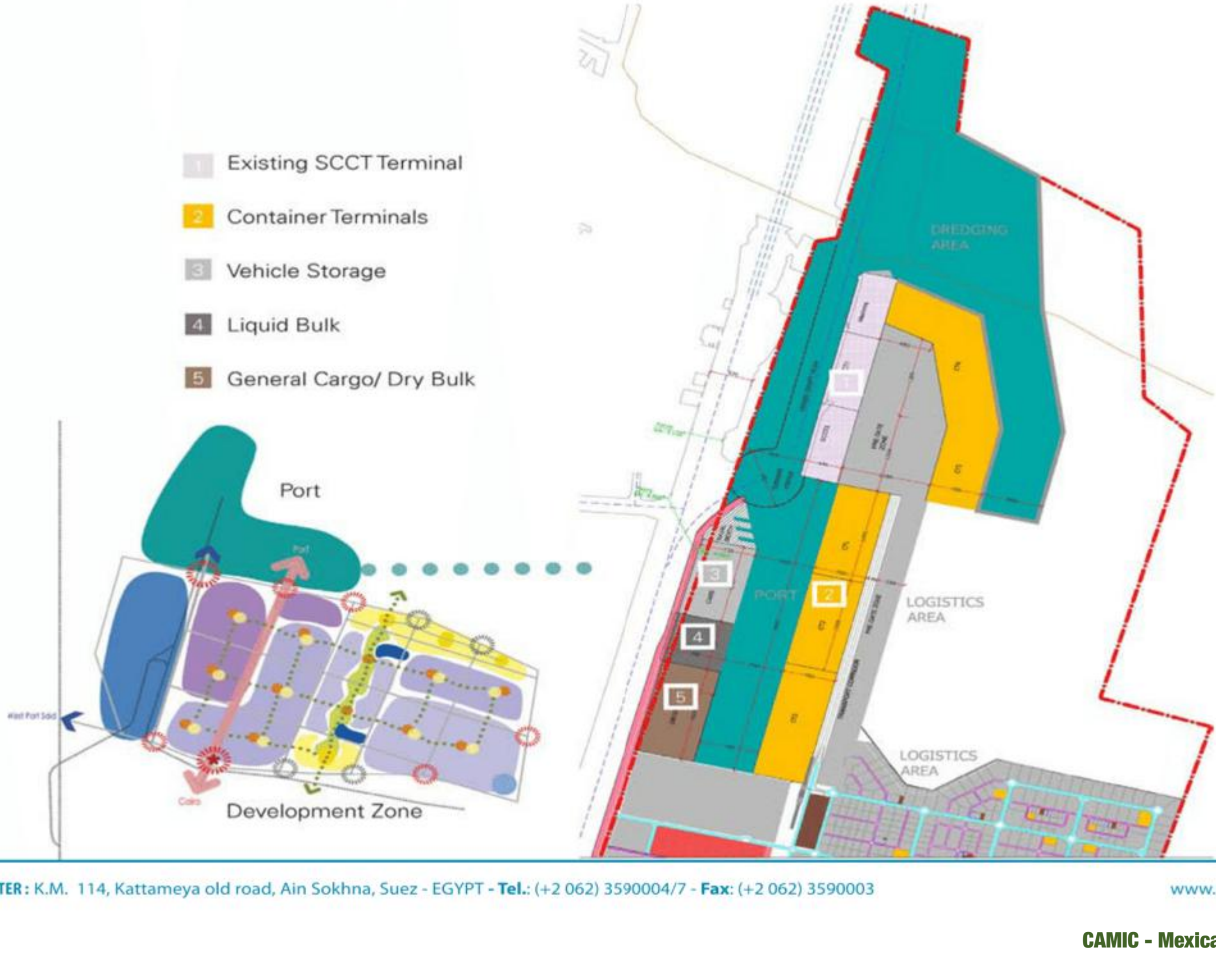
Located alongside the Suez Canal, and endowed with sheltered deep water facilities capable of accommodating large vessels, East Port Said Port is well-positioned to be a major transshipment hub and gateway port.

With the establishment of the Suez Canal Container Terminal in 2005, East Port Said Port has grown to become among the top 40 busiest ports in the world. However, further expansions, over a site of ***26 km***^{2}, are proposed which will further increase the port's standing. These include:

1

EAST PORT SAID **PORT**

1. Fully integrated container terminals supported with yard capacity of 15,120TEU ground slots for laden and reefer containers which will increase container capacity by 20 million TEUs by 2050.
2. General Cargo & Dry Bulks Terminal - a large-scale multipurpose general and dry bulk terminal offering vertical as well as flat storage solutions for a wide range of dry bulk commodities.
3. Dedicated area for automotive products. A range of added value services can be included at this location such as PDI of new car imports.
4. Liquid Bulks Terminal - to accommodate 5M Tonnes of different liquid bulk commodities. The layout provides for LNG storage tanks to meet the latest international regulatory position on improving.



PORTS

Investment opportunities in the development of Ain Sokhna Port and the associated terminals and facilities: container terminals, bulk and general cargo terminals, Liquid Bulk terminals, logistics, warehousing and distribution centres as well as dry port.

Ain Sokhna Port is Egypt's main gateway to the GCC, East Africa and Asia. increase the port standing include:

2

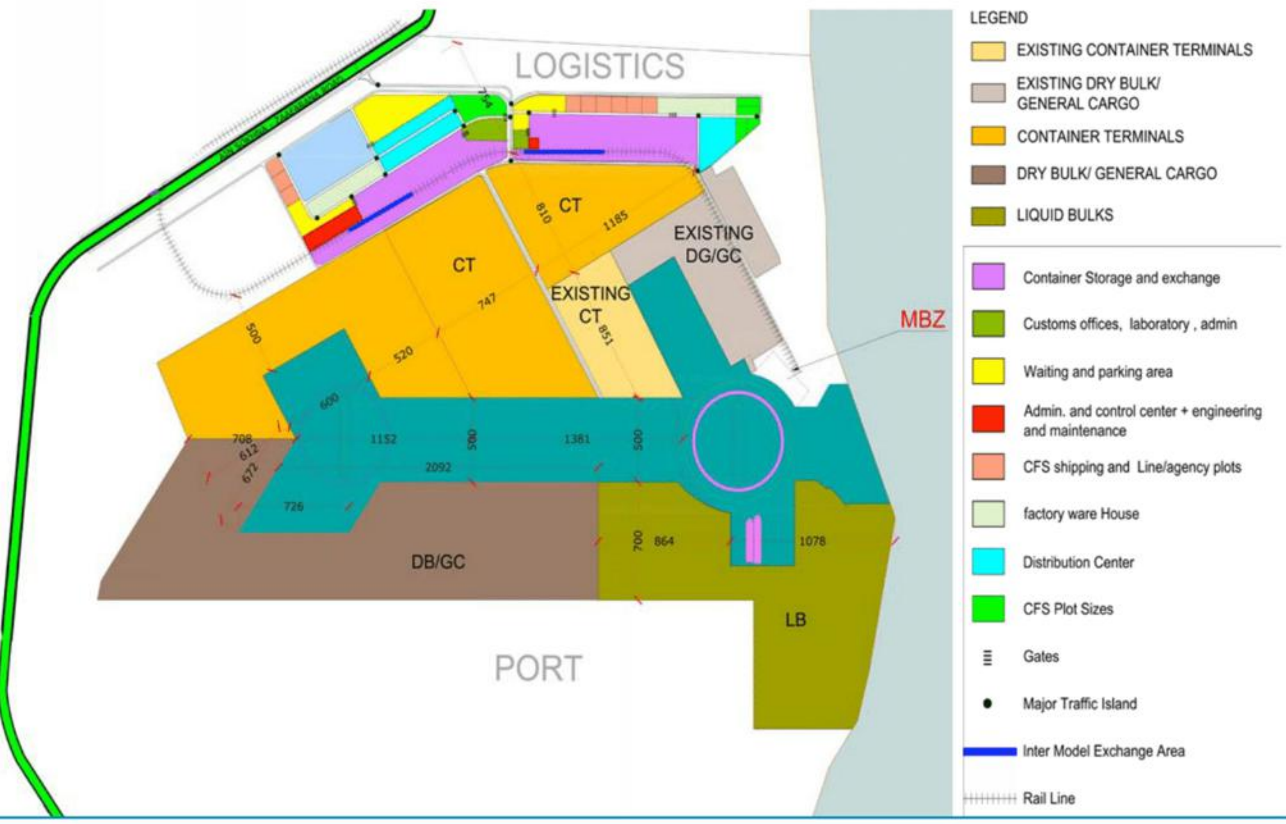
AIN SOKHNA
PORT

1. An ultra-modern multi-purpose facility capable of handling large ships. Purpose-built for future needs, with a basin width and entrance of 680m with direct access from the Gulf of Suez; basin depth of 18m. Enhanced port automation and next generation container handling equipment.

2. A container terminal with 6 Berths and a total length of 2,200m
   - Total container yard area of 1.39km2
   - 22,000TEU ground slots for laden and reefer containers
   - Potential annual throughput of 5.1 million TEU per annum

3. A dry bulk terminal with 3 berths, capacity for 20 million tonnes per annum.

4. A Liquid bulk terminal: In this area the existing master plan provides a berth for the expansion of the liquid bulk facilities with adjacent tank farms that would provide for major future incremental growth in port capacity.



PORTS

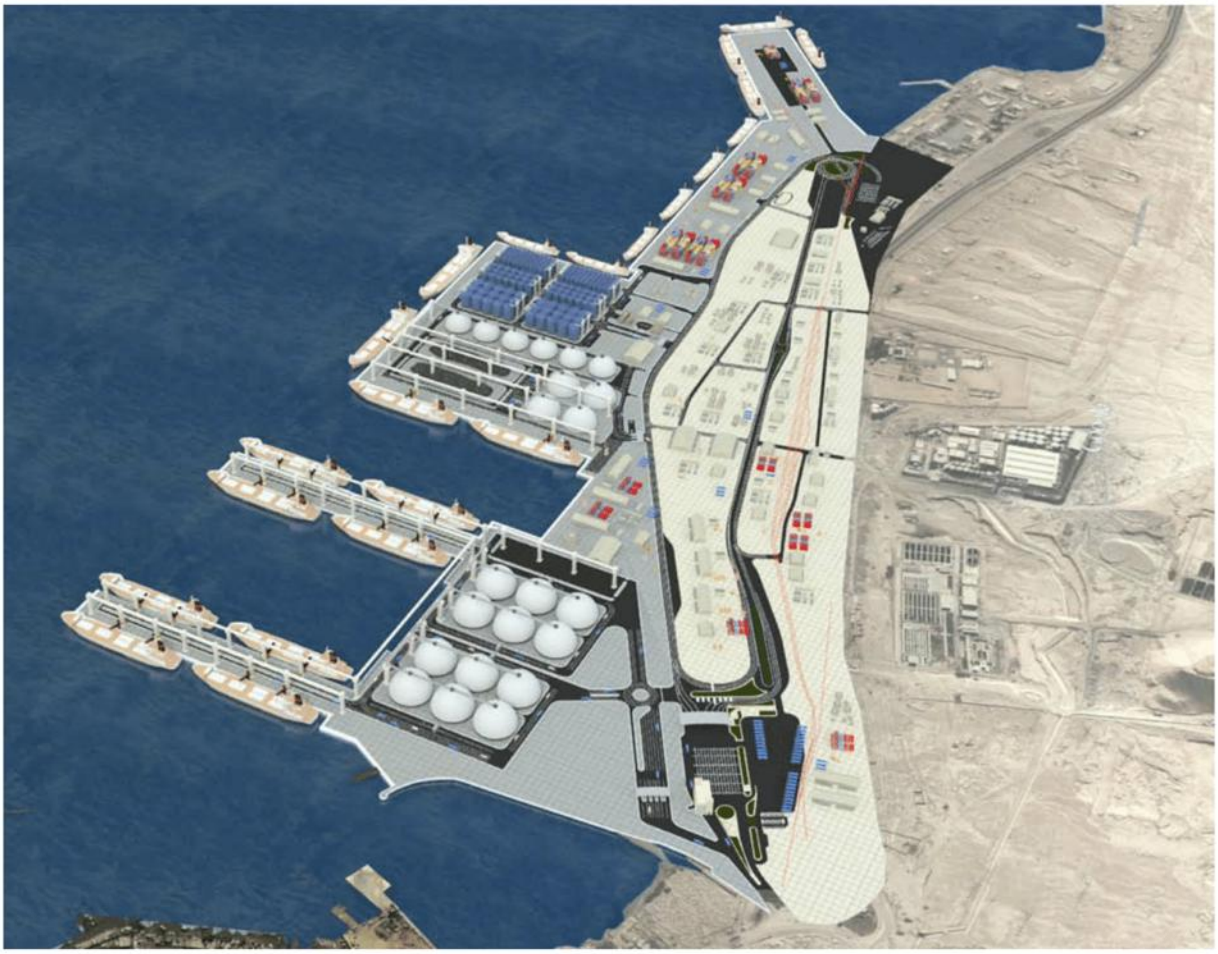
Located in the upper part of the Gulf of Suez on the Red Sea, Adabiya Port has the potential to be a gateway port for large volumes of dry bulks.

Total port area is 740,000m2 and consists of nine berths with a total length of 1,840m and a maximum depth of 9 metres. The port is able to receive dry and liquid bulk cargo vessels of up to 60,000 tons.

3 ADABIYA PORT

According to master plan, the suggested developments targets are:

1. Dry Bulk terminal: 650 m/Depth 14.0m
2. Liquid Bulk terminal: 650 m/Depth 14.0m
3. General Cargo terminal: 250 m/Depth 14.0m
4. Container terminal: 900 m/Depth 17.0m



Sustainability

The Suez Canal Zone is committed to managing, operating and developing the region in a sustainable manner and to ensure that the demands of the development align with its principles of sustainability. In doing so, the Suez Canal Zone will manage effectively any adverse environmental and social impacts and promote environmental and social enhancement. Further, the Suez Canal Zone recognizes that processes and conditions can always be improved - and therefore will continually seek to achieve such improvements.

The four pillars of sustainability identified for the Suez Canal Zone are:

1. ***Economic:***
As a commercial operation, shareholder value creation will be a driver of business decisions. By delivering strong financial results and investing in the future, the Suez Canal Zone will boost regional wealth and employment. Innovation and continuous improvement in all activities will allow the Suez Canal Zone to continuously generate revenues and contribute to the regional and national economy.

2. ***Operational:***
The Suez Canal Zone is committed to safe, secure and continuous operation of its facilities as both an objective and necessity. For the Suez Canal Zone, business continuity will be tied to ensuring regulatory compliance and maintaining the necessary capacity to operate and expand its operations. The Suez Canal Zone will strive to provide excellence in service delivery at all levels of operation, and in meeting stakeholder needs; in particular those of local communities.

3. ***Environmental:***
The Suez Canal Zone is committed to an active response to the long-term impacts of its projects and to enhancing the natural environment. The Suez Canal Zone's sustainability goals are to maximize energy, water and waste efficiencies, managing developmental impacts, balancing built environment and biodiversity values, and achieving best practice in urban and built design.

4. ***Social:***
The Suez Canal Zone will be built upon a strong foundation of corporate social responsibility and a philosophy of partnership building between owners, users and neighbors. The Suez Canal Zone will promote the highest standards of health and safety on its facilities and will work with communities both existing and new, to ensure their support. Community and social affairs will be managed actively and will build on a culture of transparency and information disclosure that utilizes the opportunities presented by modern media systems. The Suez Canal Zone is committed to ongoing stakeholder engagement in all of its operations. In support of this commitment it will establish an Environment Committee that meets regularly to discuss and agree environmental policy and strategy. Day to-day responsibility for environmental and social management will rest with a Division of the Suez Canal Zone.