

*Arab Mexican Chamber of  
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Monthly News Bulletin



Mexican Business News

October 2015

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# Microsoft plans to invest 1 billion dollars in Mexico

*October 2, 2015.* In the official residence of Los Pinos, President Enrique Peña Nieto received Microsoft's CEO Satya Nadella, who announces that this company is planning to invest in Mexico approximately one billion dollars during the next 3 years with the objective of supporting and promoting education and digital inclusion.

During the meeting, both talked about the evolution and strengthening of the presence of Microsoft in Mexico over 20 years, as well as of the perspective of telecommunication in nowadays world, especially for Mexico, after the establishment of reforms in the sector.

The director of the tech company described to the President the actions that Microsoft is taking applying in Mexico to promote small and medium enterprises through the application of information technologies, education and digital inclusion.

At the end of the meeting, president Peña Nieto and Satya Nadella took a picture of them along with some young entrepreneurs from the Mexican Youth Institute, who have a scholarships from Microsoft and have succeeded in their projects.

*Source: Excelsior*

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## Mexico's non oil exports equivalent to 63.1% of the GDP

*October 3, 2015.* Enrique Peña Nieto, President of Mexico, revealed that the country has a solid, modern and open economy, which has made of commerce a powerful tool in order to promote a stronger trade policy. During the closure of the XXII Congress of Mexican Foreign Trade and Presentation of the National Export Award, the mandatarly declared that from January to August of this year, economic dependency on oil only represented 6.7% of the total, thanks to the increase in other products' exports.

Before businessmen from all Mexico, the President acknowledge that thanks to a decrease of 12% in the oil exports, Mexico's economy is showing a larger diversification and no longer depends on oil industry as much as it did before.

Along with the governor of Jalisco, Aristóteles Sandoval, he pointed out that Mexico has become the 5th most open economy in the world, since Mexico's trade is equivalent to 63.1% of the GDP. He also said that during the first 8 months of 2015, exports surpassed 252 billion dollars, in a complicated economic context. Nevertheless, foreign trade is larger than the one recorded in 2012. Other progress in this

area is the agreement with countries members of the Pacific Alliance, in order to free 92% of the trade.

During the same event, Valentín Díez Morodo, president of the Mexican Council of Foreign Trade, Investment and Technology (COMCE), declared that the appraisalment of the dollar will promote growth of Mexican exports between 5% and 6% compared to last year. He added that commercial operations registered by different economic sectors will cover the decline in oil exports.

Díez Morodo highlighted that the challenge to promote exports is to diversify markets, as Nissan Mexicana, who received the National Exports Award 2015, has made.

*Source: Excelsior*

# Mexico reaches Transpacific Agreement with the Economic Association of 22 countries

October 5, 2015. Mexico and 11 countries of the Pacific Rim that will reduce the trade tariffs in things that go from automobiles to rice and will establish common standards for member countries.

The Transpacific Strategic Agreement of the Economic Association, which will affect 40% of the world's economy, must be approved by the legislators of each country.



The 12 countries members of this Agreement are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zelanda, Peru, Singapore, Vietnam and USA.

The Trade ministers of the nations of the Pacific worked in since September 30 in order to tune the finest details. The Agreement could reshuffle industries and influence prices of cheese or even prices of treatments for cancer.

The Agreement could facilitate free tax trade in a large number of goods, as well as reduction of tariffs for others. Also it will acknowledge many regulations, including an exclusivity period for biological medicines, which come from living organisms, and the patent protection for pharmaceutical products.

Source: *El Financiero*

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## Mexico is turning into the economic engine of Latin America

October 5, 2015. Mexico is becoming the growth engine for Latin America as a result of the high expectations that investors have for the country, declared Bank of America Merrill Lynch (BofAML).

Juan Pablo Cuevas, director fro Transactional Global Service for Latin America of BofAML declared that the expectations for Mexico are based on changes such as the estructural reforms.

He highlighted that there are businessmen that have started looking at the Mexican market in a different way. "They are seeing the differences between the Mexican market and other ones in the region. Investment flows coming to the country will stay for the long term and is not speculative", declared during a conference about the opportunities in the region with the actual global economic context.

The executive precise that Mexico's economic growth is not only given by the global growth or USA's growth, but also for their positive expectations, which will improve economic activity rates in Mexico for 2016 and 2017.

Source: *El Economista*

## Mexico will go up one position in the ranking of global economies

*October 13, 2015.* In 2018, Mexico will gain one position in the ranking of the largest economies of the world, according to recent estimates made by the International Monetary Fund. This way, the country will still be the 11th economy of the world, with a GDP of 2.55 billion dollars. The eleventh position was reached in 2014, when it left the 12 position it used to occupy, surpassing Italy.



The FMI also highlighted that Mexico will have an economic growth of 3.2% en 2018, the highest reached during the six year period, but bellow the one estimated by the Ministry of the Treasure, of 4.5%.

According to the estimates of the IMF, the average GDP's growth during Peña Nieto's stay in office will be of 2.5%, bigger than the growth reached by presidents Vicente Fox (2.2%) and Felipe Calderón (2.1%), but will not surpass 3.2% of Ernesto Zedillo.

*Source: El Economista*

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## Bosch will invest 30 million dollars in new facility in Mexico

*October 13, 2015.* Bosch Mexico announced an investment of 30 million dollars to built the new plant outside Germany which will produce the iBooster, the last generation of automobiles brakes system, with a 65% of Mexican content.

The president and CEO of the Mexican company, René Schlegel, explained that this will be an enlargement of Bosch's facility in the entity that produces auto parts for the break system and that will occupy 10 thousand sq. meters.

During the act of collocating the first stone for the facility, where the governor Carlos Lozano de la Torre unveiled the commemorative plaque, the director declared that in this new facility will produce the latest generation of anti-lock braking system, better known as ABS and the electronic stability system. He said that these appliances have received international prizes thanks to its effective and importance for preventing and reducing road accidents, which has motivated its equipment with the highest technology.

He highlighted that this will contribute with investment, technological development and job creation. The facility's director, Pedro Tapia, manifested that this complex foresees the to produce each year one million of these goods, which will be exported and used in the local market. He pointed out that the systems will be implemented, firs, in premium vehicles.

He concluded by saying that the selection of Bosh Mexico for manufacturing these systems was a result of the leadership the country has in the field, as well as the abilities for manufacturing. It is expected that the new facility starts operations in May 2016.

*Source: Notimex*

# CULTURE

## *Magic Towns in Mexico*

With the program of Magic Towns, the Ministry of Tourism of Mexico wants to promote localities that offer local experiences for visitors thanks to its symbols, legends, history, architecture, food and other elements of the town.

Until October 2015, there were approximately 90 Magic Towns in Mexico, all located in different parts of the country. Below, we enlist 3 of them:

### Loreto, Baja California:

Located in the heart of the peninsula of Baja California, Loreto is one of the most impressive tourists destinations in Mexico. It offers nature and culture in an ideal space to surprise visitors. Loreto was the cultural center in this desert part of Mexico, especially for the Catholic priests who establish there. There are impressive natural landscapes, islands with a large diversity of vegetations and fauna. Also, sea life in Loreto is quite rich since one can see whales in the National Sea Park



### Creel, Chihuahua:

Creel is a destination full of history and tradition. It is surrounded with pines and oaks that invite for adventures. Among the many natural wonders one can visit in Creel, one must see is the Copper Canyons. Nearby, one can visit the Art Museum, a build constructed by Tarahumaras.



### Valladolid, Yucatán:

One of the most ancient cities in the peninsula, Valladolid is often described as fascinantes. Their streets are full of life and offer historic buildings, mansions, museums, boutique hotels, markets, store, ice cream parlors, parks and more. Valladolid is located between two important cities: Mérida and Cancún and close to archaeological zones such as Chichen Itzá and Tulum.



# Aeronautic University attracts 1,500 million dollars in investments

October 14, 2015. Eight years since its creation, the Aeronautic University in Querétaro has attracted investment of approximately 1,500 million dollars to the entity for the aeronautic sector. The headmaster of the University, Jorge Gutiérrez de Velasco declared that the state has all the capacity to conjunct actos and establish teaching process in order that companies decide to establish in Querétaro, companies such as Bombardier, Safran and Eurocopter; the University has had a determinant role in the arrival of these companies.



He also highlighted the linkage achieved with the industrial sector through apportionments and human resources, which has benefited 1,200 persons. “The arrival of the Maintenance Center of Aeromexico and Delta increased, last year, almost in 14 thousand hours with personnel training just in the area of technical capacitation for maintenance”, he affirmed. He precise that programs, such as manufacturing and maintenance, continue, since companies are looking clearly what will happen in Querétaro in the next years.

He declared that new markets will arise, such as unmanned vehicles. “It is a new technology that will amaze and configure the way we live; it means that there will be new necessities and new educative opportunities will arise, so universities must be prepared.”

Source: *El Financiero*

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# Mondeléz Mexico wants to enter the Arab market

October 14, 2015. Mondeléz Mexico will increase its gum exports since among its projects is to arrive to the Arab, Asian and South American Market. Mauricio Graciano, director of Corporative, Communication and Government Affairs of Modeléz Mexico detailed that the facility in Puebla will increase its anual production from 50 thousand to 75 thousand tons while its exports will go from 30% to 50%.

With this, one of every two boxes that leaves the facility in Puebla will be exported. Nowadays, the company exports gum to China, Korea, Central America, United States and Canada. Mr. Graciano declared that the Arab market is the most attractive thanks to the economic surplus of those countries where consumers are willing to pay more for their products.

The company started to export gum to China in 2014. During the first months of last year, the brand decided that from their total exports, 7% had to be directed to that country. “The market has responded in a positive way. The launching has allowed us to continue sporting and growing”. The firm invested more than 10 million dollars in order to produce a special good for the Asian market.

Mondeléz also produces cookies under the brand Chips Ahoy and Oreo, as well as chocolates, candies and beverages.

Source: *El Economista*

# Kuwait, Mexico discuss boosting economic cooperation

October 26, 2015. A Mexican economic delegation, currently on a visit to Kuwait, stressed the importance of developing bilateral ties and commercial exchange between the two countries.

Mexico currently occupies the 14th place in the global economy rank and is considered the number one partner of the US. Mexican Deputy Minister of Foreign Affairs, Carlos de Icaza, said during a meeting with members of the Kuwait Chamber of Commerce and Industry on Monday. He noted that Mexico's GDP is estimated over 1 trillion dollars per year, adding that the official statistics released by international organizations show that Mexico could become the 5th biggest economy in the world by 2050.

Francisco Diaz, General Director of ProMexico, said that Mexico's commercial exchange with Arab countries is not at its full capacity, since Mexican exports to the Arab countries do not exceed 1.7 billion dollars, while Arab imports only recorded 1.6 billion dollars. He also declared that Mexico has signed free trade agreements with 64 countries and commercial integration

agreements with six nations and is interested in on increasing investment with Kuwait.

Mexico's main exports are food, auto parts and oil and gas, said Mr. Diaz, adding that Mexico is looking forward for further investments in the fields of renewable energy, oil refinery and natural gas processing.

In the same context, Second Deputy Chairman of the Kuwait Chamber of Commerce and Industry, Abdulwahab Al-Wazan stressed that Kuwait is eager to develop investment and economic cooperation with Mexico mainly in the oil and gas sector, noting the prominent political ties shared by both countries. He declared that Kuwait is looking forward for the upcoming visit of the Mexican President Enrique Peña Nieto, assuring that it would be an opportunity to boost economic cooperation.

Source: *El Economista*

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## Mexico goes up 4 positions in global ranking Doing Business



October 26, 2015. Mexico is the best qualified economy thanks to the facility to make business in Latin American reaching the 38 position in the report Doing Business 2016, 4 positions up compared to last report. Below Mexico, Chile, Peru and Colombia are in position 48, 50 and 54 respectively, Brazil ranked in the 116 position.

In the last 5 years, Mexico has stand out among other nations that have also established a high number of reforms. The report highlighted the advanced in many positions related to tax payment, credit obtainment and electricity obtainment. "Mexico, for example, is one of the 5 economies best ranked on a global level in the region for realms such as credit obtention,

thanks to the opening of a credit bureau that covers all the population and recollects information subjects, many of them important to evaluate the credit worthiness of the borrowers".

The report reveals that 85 of the developing economies implemented 169 business reforms during 2014, compared to 154 established in 2013. The high income economies only applied 62 reforms. As a whole, 122 economies all around the world, implemented 231 reforms during 2014. Latin America economies that ranked the lowest were Venezuela, Haiti and Bolivia. The report also pointed out that for these economies there is a long road to go in order to improve topics such as taxation. The average time that a local businessman takes in order to prepare, presents and pay taxes is of 361 hours, compared to the average of 177 hours that report high income economies.

On a global level, the three best ranked countries were Singapur, New Zealand and Denmark.

Source: *Mexico News Daily*

# Mexico planning 46 billion coast to coast wind energy project

October 27, 2015. Mexico is planning to quadruple its wind-power capacity as part of President Enrique Peña Nieto's effort to transform the country's energy industry. The country expects to have about 10 gigawatts of turbines in operation within three years spread across almost every region, up from 2.5 gigawatts in 2014, part of a government plan to add 20 gigawatts of clean energy by 2030, according to Mexico's Wind Energy Association. A total of 22 gigawatts of wind power will be added over the next 25 years, requiring \$46 billion in investment. The wind push is due to two converging trends: Mexico's historic shift from a state-controlled energy monopoly, and its efforts to transform a grid that relies on fossil fuels for three-fourths of the nation's electricity. "We're already a new country," Alejandro Peraza, general director of the energy regulator CRE, said in an interview in Mexico City. "Mexico is getting cleaner."



Mexico is Latin America's largest crude producer and the world's No. 10 producer of greenhouse-gas emissions. It was the first developing country to submit its plan to reduce carbon emissions before a United Nations conference in Paris in December where almost 200 countries are expected to sign a deal to fight global warming.

Mexico pledged to reduce 22 percent of its greenhouse gas emissions by 2030. Wider use of renewable energy will reduce fossil-fuel based power generation to 45 percent. "There is a clear national policy on climate change taking place," said Peraza. "We are going in the direction of a low carbon economy."



Mexico's economy will expand 2.4 percent this year, according to a Bloomberg News survey. The government expects energy demand to increase 4 percent annually over the next decade. That growth will be fueled by the shift toward renewables, which will jump to 51 percent of total installed capacity by 2040, from 14 percent now, according to New Energy Finance. Most of that will come from wind, in part because import taxes drive up costs for solar power. "Investors are starting to line up their horses," said Lilian Alves, a New Energy Finance analyst in Sao Paulo. To facilitate that transition, the government plans to hold annual

Large consumers must get 5 percent of their power from clean sources by 2018. The government also set a mandate in 2012 to get 35 percent of the country's energy from non-fossil fuel sources by 2024, up from 21 percent now. Those who don't meet the mandate may be fined as much as \$200 per megawatt-hour used, according to Peraza. Large industrial users may be required to buy clean-power certificates on the spot market.

Power companies are keen to jump into Mexico's clean-energy market as soon as new rules for the auctions and certificates are finalized, according to Adrian Escofet, president of Mexico's Wind Energy Association. Those policies are expected to be issued this month. Gauss Energia, a Mexico City-based company that owns Mexico's largest solar farm, is planning to register 100 megawatts of power projects for the March auction. "I am optimistic," said Chief Executive Officer Hector Olea. "

# Business Opportunities

Mexican companies looking for distributors / importers

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Products: Pepper  
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Fax. +52 22 53 15 14 59  
Website: [www.aaserranas.com.mx](http://www.aaserranas.com.mx)  
Email: [drhgabriel@hotmail.com](mailto:drhgabriel@hotmail.com)

## FRECUANTICA, S.A. DE C.V.

Products: Industrial manufactures  
Tel. +52 55 10 56 00 27  
Website: [www.biocatmexico.com](http://www.biocatmexico.com)  
Email: [rodrigo@biocatmexico.com](mailto:rodrigo@biocatmexico.com)

## COMERCIALIZADORA INTEGRAL DE BELLEZA, S.A. DE C.V.

Products: Personal care products  
Tel. +52 55 55 84 68 58  
Fax. +52 55 55 25 76 46  
Website: [www.cosmetobellezaim.com](http://www.cosmetobellezaim.com)  
Email: [exportaa\\_mx@yahoo.com.mx](mailto:exportaa_mx@yahoo.com.mx)

## COMSA SEGURIDAD INTEGRAL, S.A. DE C.V.

Products: Emergency vehicles  
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## COSMOCEL SA

Products: Mineral fertilizers  
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Fax. +52 81 86 25 31 19  
Website: [www.cosmocel.com](http://www.cosmocel.com)  
Email: [direccion@cosmocel.com.mx](mailto:direccion@cosmocel.com.mx)

## GLOBOS SMITS, S.A. DE C.V.

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Website: [www.globosmits.com](http://www.globosmits.com)  
Email: [ccarrillo@globosmits.com](mailto:ccarrillo@globosmits.com)

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Email: [luzma@plantamex.com](mailto:luzma@plantamex.com)

## PROTEINA ANIMAL, S.A. DE C.V.

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Fax. +52 395 725 28 01  
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## Strategic Alliances



Air France and KLM have a special discount for CAMIC members.



Group President has a preferential tariff for CAMIC members.



Group Camino Real has a preferential tariff for CAMIC members.



The company HAF has a preferential tariff from its services to CAMIC members.

If you need further information about Mexican companies do not hesitate contacting us  
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