



Mexican Business News

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With energy reform, Mexico will be the fifth largest economy in the world



May 14, 2014. The president of Kaluz Group considered that with the new legislation, the country has the opportunity to register the best GDP per capita just below China, USA, India and Brazil.

The energy reform is the most important change for the next 10 years, and for 2050 will be the fifth largest economy, said Antonio Del Valle, president of the conglomerate Grupo Kaluz.

During The Real Estate Show 2014 forum, he said that if they have made changes in telecommunications and antitrust to eliminate monopolies, they should apply to the energy sector.

"Mexico has the opportunity to begin its development on solid bases and have the best GDP per capita, behind only China, the U.S., India and Brazil," he said.

The leading petrochemical sector entrepreneur said that structural reforms are an important foundation to give the country strong growth.

Del Valle is convinced that these constitutional changes are an important step taken by the government of Enrique Peña Nieto to promote a long-term vision.

Source: El Financiero

BRP spending USD\$55 million to build 3rd manufacturing plant in Mexico

May 6, 2014. BRP Inc., the former recreational products division of Bombardier Inc. that manufactures Ski-Doo's and off-road vehicles, says it will invest USD\$55 million to build a third manufacturing plant in Mexico.

The new Mexican plant will eventually employ nearly half of the Quebec company's global workforce.

The construction of the 46,000 square meter plant, near its existing facility in Juarez, is slated to begin next year and be completed by the end of 2017.



BRP said that the new plant will support expansion of its off-road vehicles and meet future demand.

Chief executive Jose Boisjoli said the investment will allow BRP to continue to make inroads in the fast-growing off-road industry.

The plant will employ 900 full-time workers, while the main plant in Juarez BRP employs 1600, and the plant in Querétaro will increase its employees, going from 600 employees to 1,000 in September.

Source: CBC News

Mexico's mature oil fields identified as key to near-term production gains

May 7, 2014. Mexico expects an increase in crude-oil production in the next few years from the reactivation of mature oil fields, which would be included along with other types of deposits in the first rounds of bidding involving private companies.

"Additional production will come, for example, from mature oil fields, fields that were producing in the 1930s and that could be exploited with new technology to increase production quickly," Lourdes Melgar, deputy minister for hydrocarbons at the Energy Ministry, said on Tuesday at a meeting with reporters.

The attraction of new latest-generation technology is one of the central goals promoted by President Enrique Peña Nieto that opens the oil and gas industry to competition, ending with the monopoly of

state company Petróleos Mexicanos (PEMEX), and allowing private firms to exploit the country's resources for the first time in 76 years.

Last week, Peña Nieto unveiled a raft of bills that will guide the implementation of last year's constitutional changes to open the energy industry. The bills were welcomed as market-friendly proposals that generate better international standards.

"The government is very aware that it needs technology, human resources and money that Pemex currently doesn't have in order to lift a declining oil production," said Carlos Solé, co-chair in Latin America at law firm Baker Botts.

Source: Wall Street Journal

Mexico's Foreign Reserves Rise by USD\$2 Billion

May 7, 2014. Mexico's foreign reserves rose by USD\$2.07 billion last week to USD\$186.08 billion, according to the Bank of Mexico.

Gold and foreign currency reserves increased in the week ending May 2 mainly due to the sale of USD\$2 billion by state-owned oil giant Petróleos Mexicanos (Pemex) to the Bank of Mexico.

Reserves have grown by USD\$9.56 billion since January 1st., the Bank of Mexico said in a statement.

The M1 money supply (the money that circulates in the economy), which includes currency, coins and demand deposits, expanded by \$12.52 billion pesos (about USD\$960 million) to \$873.29 billion pesos (some USD \$66.97 billion) last week.

Source: Latin American Herald Tribune



OECD forecasts 3.4 percent growth

May 7, 2014. The Mexican economy is expected to experience a growth of 3.4 percent in 2014, according to the Organization for Economic Cooperation and Development (OECD) in its seasonal global economic outlook report, since 2013 was a weak year for Mexico's economy.



The OECD also predicts that in 2015 the Mexican economy will reach 4.1 percent growth, which is closer to its potential, which is estimated by some analysts to be 5 percent yearly.

The study noted that the expected growth of the Mexican economy is a result of a growing external demand stemming from an economic recovery in the United States.

Furthermore, OECD Secretary General José Angel Gurría, estimated that the major reforms adopted in Mexico in 2013 will strengthen the economy.

According to the study, the implementation of structural reforms in energy, telecommunications and taxes should boost investment, productivity and potential growth.

Fuente: The News

Industrial Production rises 1.6% in Mexico

May 12, 2014. Industrial production rose 1.6 percent in Mexico in the first quarter of this year, compared to the same period in 2013, the National Institute of Statistics and Geography (INEGI) said on Monday.

Manufacturing output grew 4.3 percent, while electricity generation and water and gas sales expanded by 1.4 percent, mentioned in the statement.

Industrial production increased 3.4 percent in March, compared to the same month in 2013, thanks to a 6.8 percent in manufacturing output, a 4.1 percent rise in electricity generation, water and gas sales, and increase of 0.60 percent in mining activity.

Electricity generation, water and gas sales, meanwhile, rose 0.26 percent and construction expanded by 0.05 percent.

The government expects Mexico's economy to grow 3.9 percent this year, rebounding from the 1.1 percent growth registered in 2013.

Source: Latin American Herald Tribune.

Mexico strengthens its position as a global power in the automotive sector

May 13, 2014. The establishment of new automotive plants in Mexico by the German BMW and the Korean Hyundai reinforce projections that Mexico will displace Brazil as the seventh producer in the world in 2016, Armando Soto, President of the Consultants Firm Kaso & Asociados, estimates.

Mexico may be even fighting for the sixth position with South Korea or India, added Soto, who specializes in the automotive sector.

In 2013 Brazil produced 3.7 million automobiles and commercial vehicles, a 9.9% increase, while Mexico assembled 3.2 million units, posting 1.7% year-to-year growth, according to OICA, the International Organization of Motor Vehicle Manufacturers.

"With the arrival of BMW and Hyundai, Mexico will reach 4 million units produced in 2016 and fight for sixth position worldwide," said Soto.

BMW and Hyundai will invest around USD\$1 billion each in the construction of automobiles assembly plants in Mexico, with an initial yearly production of over 150,00 units in each of these factories, with gradual expansions.

Soto anticipated that the auto parts sector will grow at annual rate of 8.5% in 2014.

In 2013 exports of automotive parts of Mexico registered USD\$52,000 million, up 13.3%, while imports totaled USD\$36,000 million, an increase of 8.8% at annual rates.

Source: El Economista.

Mexico Earns USD\$4.43 Billion from Tourism in 1st Quarter

May 15, 2014. Mexico earned USD\$4.43 billion from visits by foreign tourists in the first quarter, up 14.8 percent from the same period in 2013, the Tourism Secretariat said.

Mexico welcomed 3.7 million foreign tourists in the January-March period, a figure that was up 10.1 percent from the same period in 2013, according to the secretariat.

Foreign-exchange earnings from tourism totaled USD \$1.63 billion in March alone, up 14.2 percent from the same month in 2013.

Mexico welcomed 23.7 million foreign tourists in 2013, generating revenues of USD\$13.81 billion, government figures show.

President Enrique Peña Nieto said last week at the 39th Tourism Fair in the Caribbean resort city of Cancún that Mexico planned to invest \$180 billion pesos (USD\$13.8 billion) over the next five years in tourism infrastructure to turn the country into a global power in the industry.

“Mexico has everything necessary to become a tourism power at the global level,” the president told to industry leaders gathered in Cancún.

Tourism accounts for about 9 percent of Mexico’s GDP and ranks as the No. 3 source of foreign exchange, trailing only the oil industry and remittances.

The Mexican tourism industry directly employs about 2.5 million people.

Source: Latin American Herald Tribune.

Mexico’s Economy Grows 1.8 Percent in First Quarter

May 23, 2014. Mexico’s gross domestic product grew 1.8 percent in the first quarter of 2014 compared to the same period of last year, the National Institute of Statistics and Geography (INEGI), said on Friday.

The country’s economic expansion was the result of growth of 4.9 percent in the primary sector (agriculture, livestock and forestry), 1.8 percent in the tertiary sector (services and commerce) and 1.6 percent in the secondary sector (manufacturing and construction), mentioned in the statement.

The International Monetary Fund expects Mexico’s GDP to grow 3 percent, driven by the U.S. economic recovery, lower prices for natural gas imports and a reduction in labor costs in Mexico and China.

Primary sector growth was driven primarily by increased production of crops such as corn and grain sorghum, green alfalfa, beans, avocado, oranges and potatoes.

The tertiary sector was led by growth in the mass media sub-sector, up 3.1 percent, and educational services, which rose 2.7 percent.

Two of the four components of the secondary sector grew in the first quarter: manufacturing, up 4.3 percent, and electricity generation, transmission and distribution, which climbed 1.4 percent, INEGI mentioned.

The first quarter results marked an improvement over the last quarter of 2013, when the economy expanded by 0.7 percent on an annual basis.

Source: Latin American Herald Tribune

Increase in almost 4% in Exports: INEGI

May 26, 2014. In April this year, Mexico's trade balance recorded a surplus of preliminary USD\$510 million, compared with balance deficits of USD \$1,227 million recorded in the same month of 2013 .

The manufacturing and agriculture, were the sectors which exported more.

The National Institute of Statistics and Geography (INEGI) reports that this surplus is a result of exports by \$34,072 million dollars in April, an increase of 3.7 percent annually, and imports by \$33,562 million dollars, with an annual decline of 1.5 percent.



The trade surplus last April of USD\$510 million, contrasts with the deficit of USD\$758 million expected by analysts for the month, and it is compared with a surplus of USD\$1,027 million dollars observed in March this year.

The INEGI said that the value of merchandise exports in the fourth month of this year was USD\$34,072 million dollars, amount higher by 3.7 percent than in the same month of 2013.

By type of goods, states that in April , exports of manufactured goods recorded an annual increase of 7.1 percent, agricultural and fisheries exports fell 0.9 percent annual rate, and extractive exports grew 2.4 percent over the same month, 2013.

The organism reports that in the period January- April 2014, the value of total exports amounted to \$124,944 millions of dollars, and implied an annual growth of 3.1 percent.

Meanwhile, adds, the value of merchandise imports in April 2014 was USD\$33,562 million.

The agency stresses that the accumulated value of total merchandise imports in the first four months of 2014 rose to USD\$125,626 million, amount 1.8 percent higher than that observed in the same period of 2013 .

Source: La Razón

Business Opportunities

Mexican companies looking for distributors / importers

<p>CÍTRICOS EX, S.A. DE C.V.</p> <p>Products: citrus</p> <p>Tel. +52 23 23 24 95 00 Fax. +52 23 23 24 15 52</p> <p>Website: www.grupoaltex.com.mx Email: gpelaez@citrex.orgaltex.com</p>	<p>CONSORCIO DE EXPORTACION VETERINARIO VETMEX S.C.</p> <p>Products: Medicines for veterinary use</p> <p>Tel. +52 33 38 13 05 19</p> <p>Website: www.vetmex.com.mx Email: exportmanager@vetmex.com.mx</p>	<p>FOMENTO COMERCIAL RDY S.A. DE C.V.</p> <p>Product: Food products</p> <p>Tel. +52 777 320 22 15 Fax. +52 777 328 72 29</p> <p>Website: www.rdygroup.com Email: rodot@rdygroup.com</p>
<p>GRUPO GYLSA, S.A. DE C.V.</p> <p>Products: Pharmaceutical.</p> <p>Tel. +52 55 56 11 45 65 Fax. +52 55 53 84 21 93</p> <p>Website: www.gylsa.com.mx Email: marcotulio@gylsa.com.mx</p>	<p>GRUPO PETROTEMEX, S.A. DE C.V.</p> <p>Products: petrochemical</p> <p>Tel. +52 81 87 48 15 91</p> <p>Website: www.petrotemex.com Email: ebandac@petrotemex.com</p>	<p>INDUSTRIAS WET LINE, S.A. DE C.V.</p> <p>Products: Make up</p> <p>Tel. +52 33 47 77 00 30</p> <p>Website: www.wet-line.com Email: exportaciones@wet-line.com</p>
<p>LABORATORIOS GRIFFITH DE MEXICO, S.A. DE C.V.</p> <p>Products: processed foods</p> <p>Tel. +52 81 83 80 44 38 Fax. +52 81 83 80 44 40</p> <p>Website: www.griffithlaboratories.com Email: adelacruz@griffithlaboratories.com</p>	<p>LABORATORIOS LE ROY, S.A. DE C.V.</p> <p>Products: Pharmaceutical.</p> <p>Tel. +52 55 50 10 91 00 Fax. +52 55 50 10 91 89</p> <p>Website: www.leroy.com.mx Email: jjgarcia@leroy.com.mx</p>	<p>LATEX OCCIDENTAL EXPORTADORA, S.A. DE C.V.</p> <p>Product: Plastic Industry</p> <p>Tel. +52 33 38 37 02 22 Fax. +52 33 36 57 50 30</p> <p>Website: www.globopayaso.com Email: lmcejudo@globospayaso.com</p>
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If you need further information about Mexican companies do not hesitate contacting the Arab-Mexican Chamber of Industry & Commerce

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