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Centro Banamex, Mexico City, Mexico

**Market Information Spotlight: Mexico**

**Did You Know?**

- With a population of approximately 105 million inhabitants, Mexico is the 2nd largest market in Latin America and one of the largest markets worldwide.
- The automotive industry represents the 2nd most important sector in Mexico.
- The average vehicle life cycle in Mexico is 14 years compared to 5.7 years in the U.S.
- The automotive aftermarket in Mexico is an attractive sector with growth rates of almost 6% until 2010.

**The Mexican Market - An Overview**

The Mexican automotive industry is one of the fastest growing sectors in Mexico. Due to its geographic location and large population of over 100 million people, Mexico is well known for its outstanding opportunities in the automotive industry. Mexico is the world's 11th largest automotive producer and is forecasted to rank 5th by 2011. The auto parts and suppliers industry in Mexico generates approximately 7.5% of the country's GDP. Mexico's automotive production has grown at an astounding rate—approximately ten percent per year over the past three years.

As the Mexican automotive industry experiences tremendous growth, so do the opportunities that exist in the market. Consistent increases in vehicle circulation, parts and accessories imports make Mexico a very lucrative market for business.



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**Main OEM's in Mexico's Market**

- VW
- GM
- Daimler Chrysler
- Honda
- Nissan
- BMW
- Toyota

**Opportunities**

February 2008 — Imported vehicles are not allowed to be more than 10 years old.

January 2009 — NAFTA states that automobiles more than 10 years old may be imported duty free.

January 2010 — There are no restrictions on the importation of used vehicles.

These government regulations present a tremendous amount of opportunities for auto parts manufacturers and distributors!

**Growth in Mexican Auto Parts Production: OEM and Aftermarket**

	2005	2006	2007	% Growth from 2005—2007
<b>Total Market Size</b>	<b>32.0</b>	<b>20.3</b>	<b>37.5</b>	<b>14.6%</b>
<b>Total Local Production</b>	<b>24.1</b>	<b>26.2</b>	<b>28.6</b>	<b>15.7%</b>
<b>Total Exports</b>	<b>13.4</b>	<b>14.5</b>	<b>15.1</b>	<b>11.2%</b>
<b>Total Imports</b>	<b>21.3</b>	<b>23.1</b>	<b>24.0</b>	<b>11.2%</b>

USD\$ Billions. Source: INA, US Dept. of Commerce Bureau of the Census.

**The City**

Mexico City is most important economic, industrial and cultural center in the country. In the last national census (2005) Greater Mexico City had a population of 19.2 million people, making it the largest metropolitan area in the western hemisphere and the fifth largest in the world by population. The estimated population for the Metropolitan Area is 19,826,918 as of 2008.

Mexico has the 12th largest economy in the world as measured in gross domestic product in purchasing power parity. According to Goldman Sachs BRIMC review of emerging economies, by 2050 the largest economies in the world will be as follows: China, United States, India, Japan, Brazil and Mexico.

